Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20544

In the Matter of Application by Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks, Inc., and Verizon Select Services (collectively, "Verizon") for Authorization to Provide In-Region, InterLATA Services in the States of Delaware and New Hampshire

CC Docket No. 02-157

Reply Declaration of

LEE L. SELWYN

on behalf of

AT&T Corp.

August 12, 2002

DECLARATION OF LEE L. SELWYN

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REPLY DECLARATION OF LEE L. SELWYN

1 Introduction and Summary

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Lee L. Selwyn, of lawful age, declares and says as follows:

- 5 1. My name is Lee L. Selwyn; I am President of Economics and Technology, Inc. ("ETI"),
- 6 Two Center Plaza, Suite 400, Boston, Massachusetts 02108. ETI is a research and consulting
- 7 firm specializing in telecommunications and public utility regulation and public policy. My
- 8 Statement of Qualifications is annexed hereto as Attachment 1 and is made a part hereof. I have
- 9 been asked by AT&T to review the Comments by the Telecommunications Research and Action
- 10 Center ("TRAC") submitted in the above-captioned proceeding, to analyze the New Hampshire



1 and Delaware studies presented in Attachments 2 and 4, and to provide the Commission with the

2 results of my analyses.

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- 4 2. TRAC defines itself as "the nation's oldest and largest consumer group devoted
- 5 exclusively to consumer interests in telecommunications," whose primary goal "is to promote
- 6 the interests of residential telecommunications customers." My Declaration addresses claims
- 7 advanced by TRAC that Verizon's entry into the in-region long distance market in New
- 8 Hampshire and Delaware will benefit the consumers of those states. TRAC's claims rely upon
- 9 "studies" it produced that purport to quantify hundreds of millions of dollars in "savings"
- 10 realized by consumers in approximately ten states as a direct result of RBOC entry into the long
- 11 distance market in those states. This so-called consumer group is actually a creation of a
- Washington, DC public relations firm whose clients include Verizon, all of the other RBOCs,
- and the RBOCs' lobbying organization, the United States Telephone Association ("USTA"). In
- 14 fact, the "chairman" of TRAC serves as a consultant to Verizon. Besides the matter of the
- 15 questionable objectivity of its authors, the TRAC studies reach spurious and results-driven
- 16 conclusions by making unfair "comparisons" involving the "best" Verizon rates with "average"
- 17 IXC long distance prices. The TRAC studies cannot be relied upon as supporting TRAC's
- 18 various "consumer benefits" contentions regarding Verizon's entry into the in-region interLATA
- 19 markets in New Hampshire and Delaware.

- 1. TRAC Comments, at Attachments 1 and 3.
- 2. TRAC Comments, at 2.



- 1 3. Attached to its Comments, TRAC has submitted separate reports regarding the benefits
- 2 that it claims will flow to consumers following Verizon's entry into the in-region interLATA
- 3 markets in New Hampshire and Delaware.³ According to these reports, within one year of
- 4 Verizon's entry into the long distance market, New Hampshire and Delaware consumers could
- 5 save an estimated \$71-million and \$34-million in combined long distance and local savings,
- 6 respectively. TRAC's conclusions are not credible, because (1) although TRAC poses as an
- 7 advocate for consumer interests, the organization's funding can be traced back to the RBOCs;
- 8 and (2) the methodology that TRAC employs is seriously flawed and grossly exaggerates the
- 9 savings consumers might plausibly obtain from RBOC long distance entry. Hence, any reliance
- 10 by the Commission upon the conclusions of these "studies" or upon any extrapolations or
- inferences derived therefrom would be highly misplaced.

4. Verizon has issued numerous press releases relying upon TRAC's conclusions to claim

- 14 that consumers will experience millions of dollars of benefit in the first year after it gains Section
- 15 271 approval. However, as I show later in this declaration, the benefits calculated by TRAC are
- 16 illusory. Indeed, New Hampshire Consumer Advocate Michael Holmes recently called them
- 17 "horse feathers." The February 1, 2002 edition of the Concord, New Hampshire, *Concord*
- 18 *Monitor* quoted Mr. Holmes describing the studies as



^{3.} See TRAC Comments, Attachment 2, "Projecting Residential Savings in New Hampshire's Telephone Market: One Year after Verizon's Entry into the New Hampshire Long-Distance Market" ("TRAC New Hampshire Study"), and Attachment 4, "Projecting Residential Savings in Delaware's Telephone Market: One Year after Verizon's Entry into the Delaware Long-Distance Market" ("TRAC Delaware Study").

^{4.} TRAC Comments, at 3-4.

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... biased because TRAC Chairman Samuel Simon founded another organization that has performed consulting work for Verizon and other telecommunications companies. "Sam Simon works for Verizon through a couple of organizations," he said. The primary group in question is Issues Dynamic Inc., a Washington firm that specializes in public relations and management services. The consulting firm claims that in 1993 it launched the Internet's first corporate affairs Web site; that corporation was Bell Atlantic, which later merged with GTE to form Verizon."

The *Concord Monitor* article went on to report that Mr. Simon defends the objectivity of his study, but quoted him as acknowledging that "I don't hold myself out as a full-time consumer advocate," and that "I disclose all my relationships so there is no misrepresentation. I do work for a lot of different organizations."

The TRAC studies for New Hampshire and Delaware are not independent studies, but rather were paid for and sponsored by a Washington, DC public relations firm whose clients include Verizon, Qwest, SBC, BellSouth, and their industry lobbying organization, the United States Telephone Association.

5. TRAC's own characterization of its group as "promot[ing] the interests of residential telecommunications customers" does not withstand scrutiny, because TRAC is neither independent nor is there any basis to portray it as a consumer group. TRAC is registered as a not-for-profit corporation organized under §501(c)(3) of the US Internal Revenue Code. As a not-for-profit corporation, TRAC files an IRS Form 990-EZ return annually with the Internal Revenue Service; these returns are supposed to be made public and are available from the

^{5.} James Vazins, "Study favoring Verizon called into question," *Concord Monitor*, February 1, 2002.



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- 1 National Center for Charitable Statistics (NCCS).⁶ Copies of TRAC's Form 990-EZ for its fiscal
- 2 years ending September 30, 1999, 2000 and 2001 are provided as Attachment 2 to this
- 3 declaration.

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- 5 6. TRAC's Form 990-EZ filings list a post office box in Washington, DC as its mailing
- 6 address. In response to Schedule A, Part III, line 2 on each of the three TRAC Form 990-EZ
- 7 forms, TRAC states that

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- 9 DURING THE YEAR, TELECOMMUNICATIONS RESEARCH & ACTION
- 10 CENTER PURCHASED GOODS AND SERVICES FROM AN AFFILIATED
- 11 TAXABLE ORGANIZATION NAMED ISSUE DYNAMICS, INC. ISSUE
- 12 DYNAMICS, INC. PROVIDED MANAGEMENT SERVICES AS WELL AS
- 13 OVERHEAD COSTS FOR FEES TO TELECOMMUNICATIONS ACTION &
- 14 RESEARCH CENTER [sic].

- 16 According to the Issue Dynamics, Inc. ("IDI") web site, IDI is a public relations firm with
- offices at 919 18th Street, NW, Washington, DC 20006. The IDI web site lists the firm's clients,
- a list that includes all of the regional Bells, including Verizon, and their principal trade and
- 19 lobbying organization, USTA. In describing its various services, IDI states that it has "over
- 20 three decades of hands-on experience running associations and not-for-profit organizations," and
- 21 that "Issue Dynamics Inc. offers clients a comprehensive package of services for association and

^{7. &}lt;a href="http://www.idi.net/about/clients.vtml">http://www.idi.net/about/clients.vtml, accessed 8/12/02. Copies of the IDI website pages appear in Attachment 3.



^{6.} As of June 8, 1999, all 501(c) organizations — except private foundations — are required to send copies of their three most recent Form 990 (as well as their Form 1023, the form to apply for tax-exempt status) to anyone who requests them. The TRAC Form 990-EZs are available at http://www.nccs.urban.org/990/.

- 1 not-for-profit management, including Database management; Membership recruitment; Direct
- 2 mail; Production of newsletters, press releases, annual reports and other publications;
- 3 Coordination of national conferences, seminars and workshops; Advisory committee
- 4 management; Legal representation and lobbying; [and] Internet services." IDI states that it
- 5 "currently provides complete management services for: Alliance for Public Technology (APT)
- 6 [and] Telecommunications Research and Action Center (TRAC)."9 In addition, the Chairman of
- 7 their board of directors of TRAC, Samuel A. Simon, is also the President of Issue Dynamics,
- 8 Inc. 10

- 7. TRAC's IRS Form 990-EZ for the fiscal year ending September 30, 2001 identifies
- 11 Total Revenues of \$28,420, consisting of \$643 from "Contributions, gifts, grants, and similar
- amounts received," \$27,719 in "Program service revenue," and \$58 in "Investment income."
- Total expenses are shown as \$49,782, producing an operating deficit of \$21,362. TRAC's
- 14 "expenses" include \$31,500 in "Management Fees" presumably paid to IDI. TRAC's *net* assets
- as of the end of the 2001 fiscal year were a *negative* \$85,442, funded entirely by "Accounts"
- Payable" of \$102,145. The tax return does not disclose to whom the \$102,145 is owed. A
- 17 review of TRAC's Form 990-EZ for the previous two fiscal years (ending September 30, 1999)
- and 2000), also included in Attachment 2 to this Declaration, indicates Accounts Payable as of
- 19 September 30, 1999 of \$50,648 and as of September 30, 2000 of \$67,829; apparently no

^{10.} http://www.idi.net/about/staff and http://www.trac.org/about/, accessed 8/12/02.



^{8.} http://www.idi.net/manage/, accessed 8/12/02.

^{9.} *Id*.

- payment on those accounts was made during FY 2000 or FY 2001. Thus, the annual operating
- 2 losses in both years appear to have been financed by increases in accounts payable. Since the
- 3 bulk of TRAC's "expenses" during the three fiscal years consisted of "management fees"
- 4 presumably paid to IDI (\$79,500 in all over the three fiscal years) and it is these "management"
- 5 fees" that appear to make up the bulk of TRAC's accounts payable, it would appear that IDI is
- 6 the entity that is financing most, if not all, of TRAC's purportedly "independent" operations.

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- 8. Finally, although the street address at which TRAC's books are maintained (line 42 of
- 9 the return) has been redacted, the telephone number that is shown (202-263-2900) is listed on
- 10 IDI's web site as IDI's phone number. 11 The "affiliation" between TRAC and IDI is also
- demonstrated by the fact that, when I ordered a copy of the TRAC New York study from TRAC,
- 12 the "merchant" that posted the \$4 charge for the document to my VISA card was identified as
- 13 "Issue Dynamics Inc." Attachment 4 to this Affidavit contains a copy of my VISA card
- statement (with certain account information and other unrelated purchases redacted for privacy
- and security reasons).

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- 9. It seems highly unlikely that TRAC could have undertaken all of its various "studies"
- and other activities for a total operating budget (net of "management fees") of only about
- 19 \$18,000.12 It is equally unlikely that true creditors would have allowed an entity with the kind of
- 20 financials that are shown on the IRS returns the ability to increase its payables debt by some

^{12.} Total expenses of \$49,782 minus "management fees" of \$31,500 for fiscal year 2001.



^{11.} http://www.idi.net/flash.vtml, accessed 8/12/02.

- 1 \$34,000 over the 2000 fiscal year. Not coincidentally, that increase of \$34,316 in accounts
- 2 payable is fairly close to the \$31,500 "management fee" that TRAC identifies as having paid,
- 3 presumably to IDI. We do not know, of course, whether that debt was subsequently forgiven by
- 4 IDI or otherwise settled, but inasmuch as nothing in the IDI web site would give the impression
- 5 that IDI is in the business of actually supporting financially any of the not-for-profit organ-
- 6 izations that it "runs," there is certainly reason to believe that some (or all) of TRAC's activities
- 7 are being supported in some manner by its Issue Dynamics, Inc. "affiliate" and/or by IDI's
- 8 clients. Funneling support from clients to TRAC would be consistent with the kinds of services
- 9 that IDI describes on its web site, such as "Strategies for leveraging policy decision for
- 10 maximum political benefit," "Development of proactive consumer education initiatives with
- strategic stakeholders," and "Creation and management of consumer advisory panels." In view
- of Verizon's (and the other RBOCs') client relationship with IDI and IDI's "affiliation" with and
- 13 "management" of TRAC, the Commission should recognize that TRAC is hardly the
- 14 "independent" disinterested source that it may portray itself to be.

- 16 Due to faulty methodology, the New Hampshire and Delaware TRAC studies generate
- 17 highly inflated and utterly unrealistic estimates of the economic benefits to consumers from
- 18 Verizon's entry into each state's respective interLATA long distance market.

- 20 10. Separate and apart from its author's dubious credibility, the TRAC "study" itself
- 21 distorts the relationship between long distance prices being charged by Verizon vis-a-vis those
- being offered by the non-BOC long distance providers in New Hampshire and Delaware, and as



^{13.} http://www.idi.net/caffairs/, accessed 8/12/02.

1 a result portrays as "benefits" price "differences" that do not in fact exist. Specifically, and as I

2 shall show, TRAC's results are based upon a highly unfair, distorted, and inconsistent

3 comparison of Verizon and IXC long distance pricing.

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11. Both the theory and the methodology of the New Hampshire and Delaware TRAC studies are seriously flawed, because TRAC "compares" specific Verizon long distance pricing 6

plans with averages of prices being offered by other non-BOC carriers, many or even most of

8 which might themselves not be the best choice for a particular consumer. The correct

9 comparison — and one that TRAC did not perform — would be to compare the best Verizon

10 pricing plan with the best non-Verizon plan applicable to the particular customer's calling

volume and other attributes. Instead, what TRAC did was to determine a "range" of savings

based upon "low-end" and "high-end" estimates of what customers might have been paying to

carriers other than Verizon.

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12. TRAC's "low-end" estimate compares the best Verizon long distance rate for consumers with assumptions made by TRAC (and apparently without any specific evidentiary basis) regarding the particular calling plans that TRAC had assumed that residential customers likely subscribed to before switching to Verizon for long distance service. In so doing, TRAC was not comparing "best" with "best," but was instead relating Verizon's "best" with a composite of various other carrier offerings.



acceptance of such a plan.

Verizon long distance plan with *industry average* rates. ¹⁴ These *industry average* rates were 2 3 determined by calculating a simple arithmetic average of the prices being charged by the 4 "highest priced competitor" with those being charged by the "lowest priced competitor" within each of the service "baskets" examined by TRAC. This approach virtually *guarantees* erroneous 5 and overstated results, since clearly not all rate plans for all companies are intended or designed 6 7 to be attractive to all customers. Because individual customers exhibit decidedly varying calling 8 habits, there will inevitably be some extremely high competitive rates in each calling basket that 9 are essentially irrelevant for any customer whose calling habits would clearly not justify

13. TRAC's so-called "high-end" estimate is derived from a "comparison" of the best

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14. In order to provide an example, it is necessary to refer back to an earlier TRAC study of Verizon New York, where TRAC still showed the underlying detail for its calculations.¹⁵ In the more recent New Hampshire and Delaware studies, TRAC has eliminated this detail, which obscures the flaws in its methodology. However, TRAC expressly states in the New Hampshire and Delaware studies that it is using the same methodology it employed in the earlier New York study¹⁶ (and that it has used in the various "clone" analyses it has done since April 2001). Thus,

^{16.} TRAC New Hampshire Study, Appendix A – Methodology and TRAC Delaware Study, (continued...)



^{14.} TRAC, "15 Months After 271 Relief: A Study of Telephone Competition In New York," April 25, 2001 ("TRAC New York Study"), at Table 1. A copy of the TRAC New York Study appears in Attachment 5. *See also*, TRAC New Hampshire Study, Appendix A – Methodology and TRAC Delaware Study, Appendix A – Methodology.

^{15.} See TRAC New York Study.

- 1 my criticisms of the methodology in the New York study apply equally to TRAC's New
- 2 Hampshire and Delaware reports.

- 4 15. In the New York study, TRAC's Basket 18 includes a highest priced competitor at
- 5 \$349.37 and a lowest priced competitor at \$101.27. When averaged, the non-Verizon price-out
- 6 for this basket is \$225.32, which TRAC then compares with the "lowest priced Verizon" plan at
- 7 \$138.42. On the basis of this "comparison," TRAC ascribes a net "savings" of \$86.90 (i.e.,
- 8 \$225.32 minus \$138.42) for customers in this basket, which it then causally attributes to
- 9 Verizon's long distance entry. Of course, that "average savings" would arise only if the
- 10 distribution of customers across the full range of prices in the basket were uniform, i.e., where
- 11 the customer is assumed to be as likely to purchase the most expensive (i.e., the \$349.37) service
- 12 as the least expensive (i.e., the \$101.27) service. This critical underpinning of the TRAC
- 13 methodology is obviously absurd, because customers are far more likely to select providers and
- plans at the low end of the range than at its mid-point. Thus, TRAC is comparing the lowest 14
- 15 priced Verizon plan with an average, inflated by pricing plans that would never have even been
- 16 considered, let alone adopted, by customers. If the Verizon plan were compared with the *lowest*
- 17 priced competing service instead of the average of the highest and lowest, TRAC predicts that
- the New York savings would actually have been a *negative* \$1,368,500.¹⁷ Thus, Verizon's 18

Appendix A – Methodology.

^{17.} TRAC New York Study, Table 1. In the above example for Basket 18, the result for that basket would have been a negative \$37.15, i.e., the Verizon "best" pricing plan is actually \$37.15 above the lowest priced IXC plan.



^{16. (...}continued)

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1 pricing plans, when appropriately applied to consumers based upon their actual calling

2 requirements and assuming reasonably rational and informed customer behavior, indicate that

3 Verizon's entry into the long distance market provides consumers with *no competitive gain*

4 whatsoever. But by comparing the industry average pricing plan to the best pricing plan being

5 offered by Verizon, TRAC virtually guarantees that Verizon's offerings will portray "significant

6 savings." Yet if the same TRAC methodology were used to compare a consumer's most

7 beneficial AT&T, MCI or Sprint rate plan with that same "industry average," the IXC services

8 would present the same — or even greater — "consumer benefit" as TRAC ascribes solely to

Verizon's offerings.

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16. In TRAC's New Hampshire and Delaware studies, the spreadsheet that shows TRAC's

calculations has been greatly compressed, so that the averaging I just described is not shown

(although it still occurs). Another modification in formatting since the time of the New York

study has been the elimination of the "basket" designation (baskets 1 through 18), in favor of a

descriptive name (e.g., "Heavy Night & Weekend 180 Calls"). However, there are still 18

groupings, which presumably correspond to the 18 baskets identified in the original New York

17 study.

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17. TRAC's "low-end estimate" compares the most advantageous Verizon plan with the

most advantageous plan being offered by a simple arithmetic average of the corresponding

AT&T and MCI offerings (rather than the entire IXC industry) specifically. TRAC compares

22 Verizon's lowest price plan for a particular customer group with the lowest rates for MCI and



- 1 AT&T for this customer group. 18 Under this approach, TRAC ignores entirely the pricing plans
- 2 being offered by all other IXCs, many of which have more favorable rates for some customers
- 3 than either MCI or AT&T. However, even after narrowing a consumer's choices to AT&T, MCI
- 4 or Verizon, TRAC ensures that its "savings" calculation is further inflated by then averaging the
- 5 AT&T and MCI "savings." By performing this arithmetic sleight-of-hand, "savings" from
- 6 Verizon's entry jump from \$21-million (comparing Verizon rates to AT&T rates for all
- 7 customers) to \$79-million (when averaging in MCI's higher rates). 19 In addition, later
- 8 applications of this same "study" contain the notation that "[t]he predictions of savings drop
- 9 when TRAC assumes that the consumers affected were more likely to be customers of AT&T or
- WorldCom as those consumers were most likely already subscribers to a cost-efficient calling
- 11 plan."²⁰

- 13 18. Thus, it appears that for the numbers in both the "low-end estimate" and the "high-end
- 14 estimate," TRAC compares the *optimal* Verizon long distance plan with a less-than-optimal plan
- being offered by a *composite* Verizon competitor. Finally, there is little or no indication that
- 16 Verizon actually markets its plans so as to realize the hypothetical savings cited by TRAC. If
- 17 Verizon markets and sells its long distance service to in-bound local service customers using

^{20.} TRAC, "Projected Residential Consumer Telephone Savings: An Investigation of Expected Savings One Year After RBOC Entry Into Long-Distance Markets in Florida, Illinois, Georgia and Pennsylvania," at 11, available at http://trac.policy.net/relatives/17340.pdf, accessed 8/9/02.



^{18.} TRAC New York Study, at Table 2.

^{19.} *Id*.

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1 Verizon New Hampshire or Verizon Delaware local service representatives, it is much more

2 likely that those individuals will be given a "hierarchy" of calling plans to "recommend,"

3 offering a different service plan option (such as a plan with no monthly fee) only when a

4 customer rejects the plan originally offered. Any long distance carrier would be able to use the

5 same bogus TRAC methodology to claim millions of dollars in savings for consumers. Such

claims, therefore, hardly confirm or demonstrate any actual consumer benefit arising from

7 Verizon's entry into the long distance market.

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19. It is particularly noteworthy that Verizon is currently offering long distance service in its formerly-GTE jurisdictions (where Section 271 authority is not required) at the same interstate rates that it offers in New York and its other "271" states. Thus, if TRAC or Verizon or anybody else were to apply exactly the same TRAC New York methodology to the former GTE jurisdictions, comparing potential consumer savings from selecting Verizon for long distance service over non-BOC carriers, the "consumer benefit" would be the same as that which TRAC ascribes to Verizon's entry in New York, and those "benefits" would be attained without BOC entry into those states' long distance markets. More generally, one could apply the TRAC methodology to any one carrier, comparing its best prices with the average of its rivals' prices, and "conclude" that consumers would save money by switching to that carrier. This entirely unremarkable result can hardly be afforded any weight in demonstrating that Verizon's entry into the New Hampshire and Delaware interLATA markets would produce any net public benefit or otherwise be in the public interest.





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Conclusion

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- 3 20. TRAC is not the independent consumer organization it holds itself out to be. Rather, it
- 4 is an organization controlled by an RBOC-sponsored public relations firm whose sole purpose is
- 5 to influence public opinion in support of IDI's clients' goals. Like TRAC's previous reports for
- 6 other states, the New Hampshire and Delaware "studies" being offered by TRAC in this
- 7 proceeding as evidence of the benefits that will inure to residential customers following
- 8 Verizon's entry into the interLATA markets rely upon a grossly flawed, results-driven
- 9 methodology that leads to entirely meaningless conclusions. TRAC's filing in this proceeding is
- 10 therefore meritless and should be wholly disregarded by the Commission.

The foregoing statements are true and correct to the best of my knowledge, information and belief.

LEE L. SELWYN



Attachment 1 Statement of Qualifications



DR. LEE L. SELWYN

Dr. Lee L. Selwyn has been actively involved in the telecommunications field for more than twenty-five years, and is an internationally recognized authority on telecommunications regulation, economics and public policy. Dr. Selwyn founded the firm of Economics and Technology, Inc. in 1972, and has served as its President since that date. He received his Ph.D. degree from the Alfred P. Sloan School of Management at the Massachusetts Institute of Technology. He also holds a Master of Science degree in Industrial Management from MIT and a Bachelor of Arts degree with honors in Economics from Queens College of the City University of New York.

Dr. Selwyn has testified as an expert on rate design, service cost analysis, form of regulation, and other telecommunications policy issues in telecommunications regulatory proceedings before some forty state commissions, the Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission, among others. He has appeared as a witness on behalf of commercial organizations, non-profit institutions, as well as local, state and federal government authorities responsible for telecommunications regulation and consumer advocacy.

He has served or is now serving as a consultant to numerous state utilities commissions including those in Arizona, Minnesota, Kansas, Kentucky, the District of Columbia, Connecticut, California, Delaware, Maine, Massachusetts, New Hampshire, Vermont, New Mexico, Wisconsin and Washington State, the Office of Telecommunications Policy (Executive Office of the President), the National Telecommunications and Information Administration, the Federal Communications Commission, the Canadian Radio-television and Telecommunications Commission, the United Kingdom Office of Telecommunications, and the Secretaria de Comunicaciones y Transportes of the Republic of Mexico. He has also served as an advisor on telecommunications regulatory matters to the International Communications Association and the Ad Hoc Telecommunications Users Committee, as well as to a number of major corporate telecommunications users, information services providers, paging and cellular carriers, and specialized access services carriers.

Dr. Selwyn has presented testimony as an invited witness before the U.S. House of Representatives Subcommittee on Telecommunications, Consumer Protection and Finance and before the U.S. Senate Judiciary Committee, on subjects dealing with restructuring and deregulation of portions of the telecommunications industry.

In 1970, he was awarded a Post-Doctoral Research Grant in Public Utility Economics under a program sponsored by the American Telephone and Telegraph Company, to conduct research on the economic effects of telephone rate structures upon the computer time sharing industry. This work was conducted at Harvard University's Program on Technology and Society,



where he was appointed as a Research Associate. Dr. Selwyn was also a member of the faculty at the College of Business Administration at Boston University from 1968 until 1973, where he taught courses in economics, finance and management information systems.

Dr. Selwyn has published numerous papers and articles in professional and trade journals on the subject of telecommunications service regulation, cost methodology, rate design and pricing policy. These have included:

"Taxes, Corporate Financial Policy and Return to Investors" *National Tax Journal*, Vol. XX, No.4, December 1967.

"Pricing Telephone Terminal Equipment Under Competition" *Public Utilities Fortnightly*, December 8, 1977.

"Deregulation, Competition, and Regulatory Responsibility in the Telecommunications Industry"

Presented at the 1979 Rate Symposium on Problems of Regulated Industries - Sponsored by: The American University, Foster Associates, Inc., Missouri Public Service Commission, University of Missouri-Columbia, Kansas City, MO, February 11 - 14, 1979.

"Sifting Out the Economic Costs of Terminal Equipment Services" *Telephone Engineer and Management*, October 15, 1979.

"Usage-Sensitive Pricing" (with G. F. Borton) (a three part series)

Telephony, January 7, 28, February 11, 1980.

"Perspectives on Usage-Sensitive Pricing" *Public Utilities Fortnightly*, May 7, 1981.

"Diversification, Deregulation, and Increased Uncertainty in the Public Utility Industries"

Comments Presented at the Thirteenth Annual Conference of the Institute of Public Utilities, Williamsburg, VA - December 14 - 16, 1981.

"Local Telephone Pricing: Is There a Better Way?; The Costs of LMS Exceed its Benefits: a Report on Recent U.S. Experience."

Proceedings of a conference held at Montreal, Quebec - Sponsored by Canadian Radio-Television and Telecommunications Commission and The Centre for the Study of Regulated Industries, McGill University, May 2 - 4, 1984.



"Long-Run Regulation of AT&T: A Key Element of A Competitive Telecommunications Policy" *Telematics*, August 1984.

"Is Equal Access an Adequate Justification for Removing Restrictions on BOC Diversification?"

Presented at the Institute of Public Utilities Eighteenth Annual Conference, Williamsburg, VA - December 8 - 10, 1986.

"Market Power and Competition Under an Equal Access Environment" Presented at the Sixteenth Annual Conference, "Impact of Deregulation and Market Forces on Public Utilities: The Future Role of Regulation" Institute of Public Utilities, Michigan State University, Williamsburg, VA - December 3 - 5, 1987.

"Contestable Markets: Theory vs. Fact"

Presented at the Conference on Current Issues in Telephone Regulations: Dominance and Cost Allocation in Interexchange Markets - Center for Legal and Regulatory Studies Department of Management Science and Information Systems - Graduate School of Business, University of Texas at Austin, October 5, 1987.

"The Sources and Exercise of Market Power in the Market for Interexchange Telecommunications Services"

Presented at the Nineteenth Annual Conference - "Alternatives to Traditional Regulation: Options for Reform" - Institute of Public Utilities, Michigan State University, Williamsburg, VA, December, 1987.

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"A Public Good/Private Good Framework for Identifying POTS Objectives for the Public Switched Network" (with Patricia D. Kravtin and Paul S. Keller) Columbus, Ohio: *National Regulatory Research Institute*, September 1991.

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"Efficient Infrastructure Development and the Local Telephone Company's Role in Competitive Industry Environment" *Presented at the Twenty-Fourth Annual Conference, Institute of Public Utilities, Graduate School of Business, Michigan State University, "Shifting Boundaries between Regulation and Competition in Telecommunications and Energy"*, Williamsburg, VA, December 1992.

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The Cost of Universal Service, A Critical Assessment of the Benchmark Cost Model, Susan M. Baldwin with Lee L. Selwyn, a report prepared by Economics and Technology, Inc. on behalf of the National Cable Television Association and submitted with Comments in FCC Docket No. CC-96-45, April 1996.

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Television Systems and Their Impact Upon the Existing Television Broadcast Service, July 11, 1996.

Assessing Incumbent LEC Claims to Special Revenue Recovery Mechanisms: Revenue opportunities, market assessments, and further empirical analysis of the "Gap" between embedded and forward-looking costs, Patricia D. Kravtin and Lee L. Selwyn, In the Matter of Access Charge Reform, in CC Docket No. 96-262, January 29, 1997.

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Where Have All The Numbers Gone?: Long-term Area Code Relief Policies and the Need for Short-term Reform, prepared by Economics and Technology, Inc. for the Ad Hoc Telecommunications Users Committee, International Communications Association, March 1998.

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Bringing Broadband to Rural America: Investment and Innovation In the Wake of the Telecom Act, Lee L. Selwyn, Scott C. Lundquist and Scott A. Coleman, a report prepared for the Competitive Broadband Coalition, September 1999.

Dr. Selwyn has been an invited speaker at numerous seminars and conferences on telecommunications regulation and policy, including meetings and workshops sponsored by the National Telecommunications and Information Administration, the National Association of



Regulatory Utility Commissioners, the U.S. General Services Administration, the Institute of Public Utilities at Michigan State University, the National Regulatory Research Institute at Ohio State University, the Harvard University Program on Information Resources Policy, the Columbia University Institute for Tele-Information, the International Communications Association, the Tele-Communications Association, the Western Conference of Public Service Commissioners, at the New England, Mid-America, Southern and Western regional PUC/PSC conferences, as well as at numerous conferences and workshops sponsored by individual regulatory agencies.

Attachment 2

Telecommunications Research and Action Center

IRS Form 990-EZ for Fiscal Years Ending September 30, 1999, 2000 and 2001

Form 990-EZ

Short Form

Return of Organization Exempt From Income Tax
Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or
private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

For organizations with gross receipts less than \$100,000 and total assets
less than \$250,000 at the end of the year

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-1150

Open to Public inspection

Form 990-EZ (2000)

Department of the Treasury Internal Revenue Service

023421 12 20-00

A	For th	te 2000 calendar year, or tax year beginning OCT 1_L 2000 and ending SE	P 30,	20	01
В	Check if applicable	Ne. Please C Name or organization	D Em	ployer	identification number
	Carro	gd TELECOMMUNICATIONS RESEARCH & ACTION			
	Change	pontor CENTER	5	2-0	988429
	Initial return	Number and street (or P O box if mail is not delivered to street address) Room/s	uite E Te	ephone	no
	Final	Specific D. O. BOX 12038		202)263-2900
F	Amen	nded troops City or town state or country, and ZIP + 4			if application pending
	>10 thu	WASHINGTON, DC 20005			
			nter 4-diart	aroup e	exemption no (GEN)
G.	Accoun	nting method	•	J	, , , , , , , , , , , , , , , , , , ,
ī	Organiz	zation type (check only one)— X 501(c) (3) ◀ (insert no)	1)		-
		ion 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A		or 990	-EZ)
_		X if the organization's gross receipts are normally not more than \$25,000. The organization need not file			
		cation received a Form 990 Package in the mail, it should file a return without financial data. Some states require			
_		ck lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$100,000 or more, file Form 990 instead of Form		S	28,420.
_		this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ)	330 EE		▶ X
	art I	Revenue, Expenses, and Changes in Net Assets or Fund Balances			<u> </u>
•	1	Contributions, grifts, grants, and similar amounts received		1	643.
	2	Program service revenue including government fees and contracts		2	27,719.
	3	Membership dues and assessments		3	2,7,150
	4	Investment income		4	58.
	1 _			-	30.
	5a	•		1	
	ן י	•		_	
•	•	Gain or (loss) from sale of assets other than inventory (line 5a less line 5b)		5c	
Revenue	6	Special events and activities (attach schedule)		"	
Š	l a	Gross revenue (not including \$ of contributions		,	
Œ	١.	reported on line 1) 5a			
	b	Less direct expenses other than fundraising expenses 6b		∤ _′`∖	
	<u></u>	Net income or (loss) from special events and activities (line 6a less line 6b)		6c	
	7a	Gross sales of inventory, less returns and allowances 7a			
	b	Less cost of goods sold 7b		∤ "∣	
	C	Gross profit or (loss) from sales of inventory (line 7a less line 7b)		7¢	
	8	Other revenue (describe)	8	20 400
	9	Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)		9	28,420.
	10	Grants and similar amounts paid		10	
	11	Benefits paid to or for members		11_	
SeS	12	Salaries, other compensation, and employee benefits		12	
Ě	13	Professional fees and other payments to independent contractors		13	525.
Expens	14	Occupancy rent unities and mathemance		14	
	15	Printing, publication, postage, and smooning Other extra described. SEE STATEMEN		15	10,173.
	16	Other experitescribe SEE STATEMEN	T 1)	16	39,084.
	17	Total expenses (add, lines 10 through 16)		17	49,782.
v3	18 `	excess of (deficity for the year (line b) less line 17)		18	<21,362.>
Net Assets	19	Net assets of fund balances at beginning of year (from line 27, column (A))			
As		(mustage with ent) of clear figure reported on prior year's return)		19	<64,080.>
ě	20	Other changes in her assets or fund balances (attach explanation)		20	
	21	Net assets or fund balances at end of year (combine lines 18 through 20)		21_	<85,442.>
P	art II			0-EZ	
		(A) Beginn			(B) End of year
22	Casi	h, savings, and investments	3,749	- 22	13,750.
23	Land	d and buildings		23	
24	Othe	er assets (describe ►_ ACCOUNTS RECEIVABLE)		- 24	2,953.
25		al assets	3,749		16,703.
26	Tota		7,829		102,145.
27	' Net	assets or fund balances (line 27 of column (B) must agree with line 21)	4.080	. 597	<85.442.>

For Paperwork Reduction Act Notice, see page 1 of the separate instructions

Part IV Cither Information	Forn	TELECOMMUNICATIONS RESEAR 1990-EZ (2000) CENTER	CH & ACTION		52-	-09884	129	Page 2
SEE STATEMENT 3 Describe what was actived in chrymon out the organization's exempt purposes. In a clear and concise manner, describe the services growed, the number of persons benefited, or other relevant information for each program title 28 PUBLIC EDUCATION — CONSUMER AND PUBLIC EDUCATION ON TELECOMMUNICATIONS OPTIONS (Grants \$) 289 30 (Grants \$) 30e 31 Other program service expenses (dutin's chedule) (Grants \$) 31e 27 Joilal program service (dutin's chedule) (Grants \$) 31e 28 Total program service expenses (dutin's chedule) (Grants \$) 31e 29 (Grants \$) 31e 20 It let use of the program service expenses (dutin's chedule) (Grants \$) 31e 20 It let use of the program service expenses (dutin's chedule) (Grants \$) 31e 21 Total program service expenses (dutin's chedule) (Grants \$) 31e 22 Total program service expenses (dutin's chedule) (Grants \$) 31e 23 Total program service expenses (dutin's chedule) (Grants \$) 31e 24 Total program service expenses (dutin's chedule) (Grants \$) 31e 25 Total program service expenses (dutin's chedule) (Grants \$) 31e 26 Total program service expenses (dutin's chedule) (Grants \$) 31e 27 Total program service expenses (dutin's chedule) (Grants \$) 31e 28 Total program service expenses (dutin's chedule) (Grants \$) 31e 29 (Grants \$) 31e 20 Total program service expenses (dutin's chedule) (Grants \$) 31e 20 Total program service expenses (dutin's chedule) (Grants \$) 31e 20 Total program service expenses (dutin's chedule) (Grants \$) 31e 20 Total program service expenses (dutin's chedule) (Grants \$) 31e 20 Total program service expenses (dutin's chedule) (Grants \$) 31e 21 Total program service expenses (dutin's chedule) (Grants \$) 31e 22 Total program service expenses (dutin's chedule) (Grants \$) 31e 23 Total program service expenses (dutin's chedule) (Grants \$) 31e 24 Total program service expenses (dutin's chedule) (Grants \$) 31e 25 Total program service expenses (dutin's chedule) (Grants \$) 3e 26 Total program service expenses (duti	Pa	art III Statement of Program Service Accomplishmen	nts			E	xpenses	
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Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concess manner, describe the services growed, the number of persons beneficially on other relevant information to ach program the program term of the program services. Specially a program services agrees (all chief program services agrees (all man 28 th through 31s)	S	EE STATEMENT 3						
Part V Other Information Composition				escribe the services				
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Climate S 29a		ON TELECOMMUNICATIONS OPTIONS						
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30 Other program services (attach schedule) 31 Other program service aspenses (add lines 28s through 31a) 32 Total program service aspenses (add lines 28s through 31a) 33 Total program service aspenses (add lines 28s through 31a) 34 Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated) (A) Name and address (B) Title and average hours per week devoted to per week devoted to per week devoted to position (C) Compensation (I) Contributions (I) Contributions (I) Compensation (I) Comp	29							
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Part V Other Information Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity X Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes X If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but NOT reported on Form 990-T a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements? bit "Yes," has it filled a tax return on Form 990-T to this year? If Yes attach a statement in the interval of political expenditures, direct or indirect, as described in the instructions bid the organization file Form 1120-POL for this year? If Yes, attach the schedule specified in the line 38 instructions and enter the amount involved bid the organizations. Enter a initiation less and capital contributions included on line 9 bid fores receipts, included on line 9, for public use of club facilities If Yes, attach the schedule specified in the line 38 instructions and enter the amount involved 30 501(c)(7) organizations. Enter a initiation less and capital contributions included on line 9 bid fores receipts, included on line 9, for public use of club facilities 30 bid (6)(8) organizations. Enter a mount of tax imposed on the organization during the year under section 4911 0 . , section 4912 0 . , section 4915 0 .) c Amount of tax imposed on the organization managers or disqualified persons during the year under 4912, 4955, and 4958 c Amount of tax on line 40c, above, reimbursed by the organization c Amount of tax on line 40c, above, reimbursed by the organization.	<u> </u>	D ATTACHED CCHEDOES	1	0		n		n
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d Enter Amount of tax on line 40c , above, reimbursed by the organization	_			055 and 4059			_	
		•	oorang me year under 4912, 4	900, and 4906		<u> </u>		
			OF COLUMBIA					

SEARCH	Telephone no ► (202) 263-2900
, NW, WASHINGTON	
n lieu of Form 1041 - Check here	▶ □
tax year	▶ 43 N/A

SCHEDULE A

(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

2000

OMB No 1545-0047

Department of the Treasury Internal Revenue Service Name of the organization

TELECOMMUNICATIONS RESEARCH & ACTION

Employer Identification number 52 0988429

	CENTER		t_	<u>52 09884</u>	129
Part I	Compensation of the Five Highest Paid Employ (See instructions List each one If there are none, enter 'None')				
	(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans à deferred compensation	(e) Expense account and othe allowances
NONE _					
	-				
 .				.	
	 				
					
Total numbe over \$50 000	r of other employees paid	0			
Part II	Compensation of the Five Highest Paid Indepe (See instructions List each one (whether individuals or firms) If there		or Professiona	al Services	
	(a) Name and address of each independent contractor paid more th	an \$50,000	(b) Type of s	ervice	(c) Compensation
NONE_					
- ·					
	_				
Total numbe	r of others receiving over				

\$50,000 for professional services

TELECOMMUNICATIONS RESEARCH & ACTION

Sche	dule A (F	om 990 or 990-E2) 2000 CENTER 52-U	98842	<u>, 9 1</u>	Page 2
Pa	rt III	Statements About Activities		Yes	No
1	During th	e year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public		<u>† </u>	
,	οριπιοή ο	n a legislative matter or referendum?	1	<u> </u>	X
		nter the total expenses paid or incurred in connection with the lobbying activities 🕒 💲	_		. :
	_	ions that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other			100
	•	ions checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of	- 1 -		1
		ing activities			1
	•	e year, has the organization either directly or indirectly, engaged in any of the following acts with any of its trustees, directors,			3
		creators, key employees, or members of their families, or with any taxable organization with which any such person is		ŀ	
		as an officer, director, trustee, majority owner, or principal beneficiary	2a	1	x
4	Sale, exc	hange, or leasing of property?	2.0		-
b	Lending (of money or other extension of credit?	26	\vdash	X
c	Furnishin	g of goods, services or facilities?	2¢ _	X	ļ
d	Payment	of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2đ		х
-					
е .	Transfer (of any part of its income or assets?	2e		X
	If the ans	wer to any question is "Yes," attach a detailed statement explaining the transactions SEE STATEMENT 4	ŀ	1	
3	Does the	organization make grants for scholarships, fellowships, student loans, etc ?	3	├	X
4 a	Do you h	ave a section 403(b) annuity plan for your employees?	4a	<u> </u>	Х
b i	Attach a s Iurtheran	statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in ce of its charitable programs qualify to receive payments. (See page 2 of the instructions.)			1
Pa	rt IV	Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions)			
The	organizati	on is not a private foundation because it is. (Please check only ONE applicable box.)			
5	닏	A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)			
6	뭐	A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 5)			
7	님	A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)			
8	\vdash	A Federal, state or local government or governmental unit. Section 170(b)(1)(A)(v)			
9		A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state.			
10	Ш	An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A) (Also complete the Support Schedule in Part IV-A)	(rv)		
11a	X	An organization that normally receives a substantial part of its support from a governmental unit or from the general public			
• • •		Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)			
116		A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)			
12		An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross			
		receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of			
		its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired	ł		
		by the organization after June 30 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)			
13		An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations de	scribed in		
		(1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3)	<u>) </u>		
		Provide the following information about the supported organizations (See page 5 of the instructions)	(6)14		bas
		(a) Name(s) of supported organization(s)		om abo	
	_		1		
			+		
14		An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)			
141		AN CHARLEGORD CONTRACT AND ODGIAGO TO LEST OF DURING AGICLY ACCURATIONAL TARGET AND A DICTURE DISTRICTORS I			

52-0988429 Page 3

Pa	Support Schedule (C Note You may use th	iomplete only if you che ie worksheet in the instr	cked a box on line 10 uctions for converting), 11, or 12) Use cash i g from the accrual to the	method of account e cash method of ac	ing. counting
begir	ndar year (or fiscal year ming in)	(a) 1999	(b) 199 <u>8</u>	(c) 1997	(d) 1996	(e) Total
15 	Gifts, grants and contributions received (Do not include unusual grants. See line 28.)	1,469.	13,200.	2,981.	16,733	. 34,383.
16	Membership fees received				<u>-</u>	
17	Gross receipts from admissions merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	25,437.	17,108.	21,837.	43,848	108,230.
18	Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	56.	56.	69.	986	1,167.
19	Net income from unrelated business	· · · · · · · · · · · · · · · · · · ·				1/10/1
	activities not included in line 18				7,471	7,471.
20	Tax revenues levied for the organization s- benefit and either paid to it or expended on its behalf				,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
21	The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22	Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.			SEE STATEMEN15.	NT 5 5,509	5,524.
23	Total of lines 15 through 22	26,962.	30,364.	24,902.	74,547	156,775.
24	Line 23 minus line 17	1,525.	13,256.	3,065.	30,699	
25	Enter 1% of line 23	270.	304.	249.	745	
26	Organizations described on lines 1	or 11 a Enter 2% of ar	mount in column (e), line	9 24	▶ 26a	971.
ь	Attach a list (which is not open to pu	blic inspection) showing th	e name of and amount o	contributed by each perso	n (other than a	
	governmental unit or publicly support line 26a. Enter the sum of all these	•	otal gifts for 1996 throug	h 1999 exceeded the amo	ount shown 26b	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
_	Total current for costion 500/a\/1\ t	eet Ester kas 24 solums ((a)		▶ 260	48,545.
	Total support for section 509(a)(1) to Add Amounts from column (e) for li		1,167. 19	7,47		10/313.
u	Add Amounts from Column (a) for in	22	5,524. 26		<u> </u>	14,162.
_	Public support (line 26c minus line 2		<u> </u>	·	258	34,383.
	Public support percentage (line 26)	•	lao 25a (donominator))		≥ 26f	70.8271%
27 b	Organizations described on line 12 to public inspection) to show the nar (1999) N/A For any amount included in line 17 that was more than the larger of (1) individuals.) After computing the differencess amounts) for each year.	a For amounts included me of, and total amounts re (1998) hat was received from a noi the amount on line 25 for t erence between the amoun	in lines 15, 16, and 17 to cerved in each year from (indisqualified person, att the year or (2) \$5,000 (1	hat were received from a " n, each "disqualified perso (1997) ach a list to show the nam Include in the list organiza	disqualified person," at n "Enter the sum of su (1996 e of, and amount recer tions described in lines	tach a list (which is not open ch amounts for each year s) ved for each year, 5 through 11, as well as
	(1999)	(1998)	1	(1997)	(1996	5)
C	Add Amounts from column (e) for k			16		1
	17			21		N/A
đ	Add Line 27a total		ne 27b totał		<u>27d</u>	N/A
е	Public support (line 27c total minus	•	_	- 11 -	<u>278</u>	N/A
1	Total support for section 509(a)(2) to				N/A	1.55
9	Public support percentage (lin	•	- '	==	≥ 27g	N/A %
	Investment income percentage				·	N/A %
ļ	Jnusual Grants: For an organization public inspection) for each year showing these grants in line 15. (See page 5 of the contraction of the con	ng the name of the contribu	or 12 that received any uniter, the date and amoun	inusual grants during 199 It of the grant, and a brief NONE	description of the natu	i a list (which is not open to re of the grant. Do not include

NONE

Schedule A (Form 990 or 990-EZ) 2000 CENTER

52-0988429 Page 4

Private School Questionnaire Part V N/A (To be completed ONLY by schools that checked the box on line 6 in Part IV) Yes No Does the organization have a racially condiscriminatory policy toward students by statement in its charter, bylaws, other governing 29 instrument, or in a resolution of its governing body? 29 30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures catalogues, 30 and other written communications with the public dealing with student admissions, programs, and scholarships? Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of 31 solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? 31 If "Yes" please describe, if "No," please explain (If you need more space, attach a separate statement.) 32 Does the organization maintain the following a Records indicating the racial composition of the student body, faculty, and administrative staff? 32a Records documenting that scholarships and other financial assistance are awarded on a racially 32b nondiscriminatory basis? c. Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? 32¢ 32d d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) 33 Does the organization discriminate by race in any way with respect to a Students' rights or privileges? 33a 33b Admissions policies? c Employment of faculty or administrative staff? 33c d Scholarships or other financial assistance? 33d e Educational policies? 33e Use of facilities? 331 a Athletic programs? 33q Other extracurricular activities? 33h If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) 34 a Does the organization receive any financial aid or assistance from a governmental agency? 34a b Has the organization's right to such aid ever been revoked or suspended? 34b If you answered "Yes" to either 34a or b, please explain using an attached statement Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation

Schedule A (Form 990 or 990-EZ) 2000

- b Paid staff or management (include compensation in expenses reported on lines c through h)
- c Media advertisements
- d. Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g. Direct contact with legislators, their staffs, government officials, or a legislative body
- h Railies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- I Total lobbying expenditures (add lines c through h)

	Yes	No	Amount
			· · · · · · · · · · · · · · · · · · ·
	_		
į			0.

TELECOMMUNICATIONS RESEARCH & ACTION

Schedule A (Form 990 or 990-EZ) 2000 CENTER

52-0988429

Page 6

Par	VII Information Re Exempt Organi		d Transactions and	d Relationships With Nonchar	ıtable		
51		lirectly or indirectly engage in any of	the following with any other	r organization described in section		_	
		section 501(c)(3) organizations) or ir					
		ganization to a noncharitable exempt				Yes	No
_	(i) Cash		• • • • • • • • • • • • • • • • • • • •		51a(ı)	_	Х
	(ii) Other assets				a(lı)		X
b	Other transactions						
_		ets with a noncharitable exempt organ	nization		b(1)		Х
	• •	noncharitable exempt organization			b(li)		X
	in) Rental of facilities, equipme				b(ili)		X
	(iv) Reimbursement arrangeme				b(IV)		Х
	(v) Loans or loan guarantees				b(v)		Х
	• •	membership or fundraising solicitati	ions		b(vi)		Х
	•	mailing lists, other assets, or paid er			C		X
	=			always show the fair market value of the			
	goods, other assets, or services	given by the reporting organization	If the organization received	less than fair market value in any			
	transaction or sharing arrangen	nent_show in column (d) the value of	f the goods, other assets, o	r services received		<u> N/A</u>	
(a)	(b)	(c)	<u> </u>	(d)			
Line n	Amount involved	Name of noncharitable exe	empt organization	Description of transfers, transactions, and	l sharing ar	rangerr	ents

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	+				-		
				· · · · · · · · · · · · · · · · · · ·	=		
						<u> </u>	
							
-							
							•
	Is the organization directly or in Code (other than section 501(c) If "Yes," complete the following:)(3)) or in section 527?	one or more tax-exempt org	ianizations described in section 501(c) of the	Yes	X] No
	(a Name of or) ganization	(b) Type of organization	(c) Description of relations	ship		

	<u> </u>						_
							
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SCHEDULE A

FORM 990-EZ	OTHER EXPENSES	STATEMENT 1
DESCRIPTION		AMOUNT
BANK SERVICE CHARGES DUES & SUBSCRIPTIONS MANAGEMENT FEES MEALS & ENTERTAINMENT OFFICE SUPPLIES TELEPHONE, FAXES, ETC. TRAVEL & TRANSPORTATION OUTSIDE SERVICES		9. 380. 31,500. 785. 34. 1,740. 440. 4,196.
TOTAL TO FORM 990-EZ, LINE	16	39,084.
	FOOTNOTES	STATEMENT 2
THE ORGANIZATION HAS NOT R MADE PAYMENTS TOWARD A PER		
	STATEMENT OF ORGANIZATION'S ARY EXEMPT PURPOSE	STATEMENT 3
EXPLANATION TO EDUCATE CONSUMERS AND P	UBLIC EDUCATION ON TELECOMMUNICA	TIONS OPTIONS.

DURING THE YEAR, TELECOMMUNICATIONS RESEARCH & ACTION CENTER PURCHASED GOODS AND SERVICES FROM AN AFFILIATED TAXABLE ORGANIZATION NAMED ISSUE DYNAMICS, INC. ISSUE DYNAMICS, INC. PROVIDED MANAGEMENT SERVICES AS WELL AS OVERHEAD COSTS FOR FEES TO TELECOMMUNICATIONS ACTION & RESEARCH CENTER.

STATEMENT REGARDING ACTIVITIES WITH DIRECTORS,

TRUSTEES, PRINCIPAL OFFICERS OR CREATOR PART III, LINE 2

STATEMENT

SCHEDULE A	OTHER IN	ICOME	ST	ATEMENT 5
DESCRIPTION	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT
ADVERTISING MISCELLANEOUS ROYALTY		- 	15.	5,435. 74.
TOTAL TO SCHEDULE A, LINE 22			15.	5,509.

As of December 22, 1999

TRAC BOARD OF DIRECTORS

Sam Simon, Chairman of the Board TRAC P O Box 27279 Washington, DC 20005 (202) 408-1130

Andrew Schwartzman MAP 950 18th Street, NW Suite 220 Washington, DC 20006 (202) 454-5681

Henry Geller 3001 Veasey Terrace Apt. # 720 Washington, DC 20008 (202) 362-4241

Dirck Hargraves, Secretary Issue Dynamics Inc 919 18th Street, NW 10th Floor Washington, DC 20005 (202) 263-2900

Jay Halfon, Treasurer 215 West 88th Street Suite #5-E New York, NY 10024-2326 (212) 501-7002 Irh Chalfon. COM

Everett Parker 11 Midland White Plains, NY 10606 (914) 946-0097

(replaced Emmitt Carlson)

Form 990-EZ

Short Form Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year

This Form is Open to Public

Denartment of the Treasury

26

27

Inspection Internal Revenue Service The organization may have to use a copy of this return to satisfy state reporting requirements OCT 1, 1999 and ending 30, For the 1999 calendar year, OR tax year beginning SEP 2000 D Employer identification number C Name of organization Crange of use IRS TELECOMMUNICATIONS RESEARCH & ACTION label or]Inibal retum 52-0988429 CENTER print or type Final return Number and street (or P O box, if mail is not delivered to street address) Room/suite E Telephone number Amended return (required also for state reporting) ₽.O. BOX 12038 (202)263-2900 Instruc City or town, state or country and ZIP code + 4 F Check ► _____ if exemption tions WASHINGTON. DC 20005 application is pending H Enter four-digit group exemption X Accrual Other (specify) number (GEN) G Accounting method Cash Type of organization - ► X Exempt under Section 501(c) (3) ► (insert number) OR ► Section 4947(a)(1) nonexempt charitable trust Note: Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990) Check > [X] If the organization is gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, the organization should file a return without financial data. Some states require a complete return K Enter the organization's 1999 gross receipts (add back lines 5b, 6b, and 7b, to line 9) 26,962. If \$100,000 or more, the organization must file Form 990 instead of Form 990-EZ Revenue, Expenses, and Changes in Net Assets or Fund Balances Part I 1,469. Contributions, gifts, grants, and similar amounts received 1 25,437. 2 2 Program service revenue including government fees and contracts 3 3 Membership dues and assessments 56. Investment income 4 SCANNED WR 2 1 2002 Gross amount from sale of assets other than inventory Less cost or other basis and sales expenses Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) 5¢ Special events and activities (attach schedule) Gross revenue (not including \$ reported on line 1) 6a Less direct expenses other than fundraising expenses 6b Net income or (loss) from special events and activities (line 6a less line 6b) Gross sales of inventory, less returns and allowances 7a 7b Less cost of goods sold Gross profit or (loss) from sales of inventory (line 7a less line 7b) 7c 8 Other revenue (describe 8 Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8) 26,962. g 9 10 Grants and similar amounts paid 10 11 Benefits paid to or for members 11 12 12 Salaries, other compensation, and employee benefits 1,293. Professional fees and other payments to independent contractors 13 13 14 Occupancy, rent, utilities, and maintenance miniq ruplications, postage, and shipping 10,278. 15 SEE STATEMENT 1) ner expenses (describe 33,470. 16 45,041. Total expenses (addiges 10 through 16) 17 <18,079.> FEBERes of (1988) of the year (line 9 less line 17) 18 Net assets or fund batances at beginning of year (from line 27, column (A)) OG [/pust/gree preh end-dr-year figure reported on prior year's return) <46,001.> 19 20 n net assets or fund balances (attach explanation) Net assets or fund balances at end of year (combine lines 18 through 20) <64,080.> 21 Balance Sheets - If Total assets on line 25, column (8) are \$250,000 or more, file Form 990 instead of Form 990-EZ (B) End of year (A) Beginning of year 3,895. 3,749. 22 Cash, savings, and investments 22 23 23 Land and buildings Other assets (describe ► CREDIT CARD RECEIVABLE 0. 752 24 24 3,749. 4,647. 25 25 Total assets Total liabilities (describe > ACCOUNTS PAYABLE 50,648.2667,829

<64,080.

<46,001.27

Net assets or fund balances (line 27 of column (B) must agree with line 21)

				1 1	4	
	Grants \$			28a	45,0	41.
29						
	(Grants \$			29a		
30						
<u></u>	<u> </u>					
	(Grants \$)	30a		
31 Other program services (attach schedule)	(Grants \$)	31a		
32 Total program service expenses (add lines 28a through 31a)			>	32	45,0	41.
Part IV List of Officers, Directors, Trustees, and Ke	y Employees (List each one	even if not compen	sated)		_	
	(B) Title and average hours	(C) Compensation	(D) ca	enodudation	(E) Exp	ense
(A) Name and address	per week devoted to	(if not pald, enter		loyes benefit & deferred	ассоил	t and
.,	position	-0-)		pensation	other allo	wances
SEE ATTACHED SCHEDULE						
		0.		0.		0.
						
,						
						
Part V Other Information	<u> </u>				Yes	No
33 Did the organization engage in any activity not previously reported to the	RS2 If "Ves" attach a detailed desc	rotion of each activit	h/		- 1.00	X
34 Were any changes made to the organizing or governing documents but no		•	-	000		X
35 If the organization had income from business activities, such as the						
reported on Form 990-T, attach a statement explaining your reason		= -	50174	0,		
a Did the organization have unrelated business gross income of \$1,000 or r			mente	2		Х
b If "Yes," has it filed a tax return on Form 990-T for this year?	mote of cosote) mades, reporting, a	ing proxy tax require	inionit)	•	N/	
36 Was there a liquidation, dissolution, termination, or substantial contraction	n during the year? // Vee * attach :	etatoment \			1,7	X
37a Enter amount of political expenditures, direct or indirect, as described in ti	• • •	▶ 37a		0 1		- : -
·	ile ilistractions	[3/4]				ł.
b Did the organization file Form 1120-POL, for this year?	tor trustee or key ampleuse OP us	era anu aunh lanna m			ļ	l x
38a Did the organization borrow from, or make any toans to, any officer, direct	IOI. LIUSIBB. UI KEV BIIIDIOVEE ON WE	778 AUV SUUU IVAUS U				X
Courtes and the courte barres and the training of the particle barres of the barres.	,,,,	,	iaue iii	a prior		
year and still unpaid at the start of the period covered by this return?						X
b. If "Yes" attach the schedule specified in the line 38 instructions and enter	the amount involved	386	N/	A		
 b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations Enter a Initiation fees and capital contribution 	the amount involved	38b 39a	N/	A		
 b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities 	the amount involved is included on line 9	386	N/	A		
 b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations Enter a Initiation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities 501(c)(3) organizations Enter Amount of tax imposed during the year of the second contribution 	the amount involved is included on line 9	38b 39a	N/ N/	A		
b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations. Enter a Initiation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year is section 4911.	the amount involved is included on line 9 under O - , section 4955	38b 39a 39b	N/ N/ N/	A A A		
b If "Yes" attach the schedule specified in the line 38 instructions and enter 39 501(c)(7) organizations. Enter a Initiation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year of section 4911 ▶ 0 - , section 4912 ▶	the amount involved is included on line 9 under O - , section 4955 tion 4958 excess benefit transaction	38b 39a 39b	N/ N/ N/	A A A		х
b If "Yes" attach the schedule specified in the line 38 instructions and enter 39 501(c)(7) organizations. Enter a Infliation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year of section 4911 ▶ 0 • , section 4912 ▶ b 501(c)(3) and (4) organizations. Did the organization engage in any section 4912 ★ (4) organizations.	the amount involved is included on line 9 under O - , section 4955 tion 4958 excess benefit transaction explanation	38b 39a 39b	N/N/N/O.	A A A A A A A A A A A A A A A A A A A		x
b If "Yes" attach the schedule specified in the line 38 instructions and enter 39 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year of section 4911 ▶ 0 • , section 4912 ▶ b 501(c)(3) and (4) organizations. Did the organization engage in any section and excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualifies.	the amount involved is included on line 9 under O - , section 4955 tion 4958 excess benefit transaction explanation	38b 39a 39b	N/N/N/O.	A A A A A A A A A A A A A A A A A A A		x x 0.
b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year is section 4911. ■ 0 • , section 4912. ■ b 501(c)(3) and (4) organizations. Did the organization engage in any section aware of an excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualified Enter Amount of tax in 40c, above, reimbursed by the organization.	the amount involved is included on line 9 ander O • , section 4955 • tion 4958 excess benefit transaction in explanation dipersons during the year under se	38b 39a 39b	N/N/N/O.	A A A A A A A A A A A A A A A A A A A		x
b If "Yes" attach the schedule specified in the line 38 instructions and enter 39 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year of section 4911 ▶ 0 • , section 4912 ▶ b 501(c)(3) and (4) organizations. Did the organization engage in any section and excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualifies.	the amount involved is included on line 9 ander O • , section 4955 • tion 4958 excess benefit transaction explanation dipersons during the year under section of the columbia.	38b 39a 39b an during the year or ections 4912, 4955 a	N/ N/ N/ O. did it b	A A A A A A A A A A A A A A A A A A A	2 200	x 0. 0.
b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year section 4911 0 , section 4912 501(c)(3) and (4) organizations. Did the organization engage in any section aware of an excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualified Enter Amount of tax in 40c, above, reimbursed by the organization	the amount involved is included on line 9 under O - , section 4955 tion 4958 excess benefit transaction explanation in dipersons during the year under section of the columbia ET OF COLUMBIA	38b 39a 39b	N/ N/ N/ O. did it b	A A A A A A A A A A		x 0. 0.
b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities. 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year section 4911 0 , section 4912 501(c)(3) and (4) organizations. Did the organization engage in any section aware of an excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualified Enter Amount of tax in 40c, above, reimbursed by the organization	the amount involved is included on line 9 ander O . , section 4955 tion 4958 excess benefit transaction explanation in explanation dipersons during the year under section of the columbia is a columbia in the co	38b 39a 39b	N/ N/ N/ O. did it b	A A A A A A A A A A A A A A A A A A A	3-290	x 0. 0.
b If "Yes" attach the schedule specified in the line 38 instructions and enter 501(c)(7) organizations. Enter a Inflation fees and capital contribution b Gross receipts, included on line 9, for public use of club facilities 40a 501(c)(3) organizations. Enter Amount of tax imposed during the year is section 4911. ■ 0 • , section 4912. ■ b 501(c)(3) and (4) organizations. Did the organization engage in any section aware of an excess benefit transaction from a prior year? If "Yes," attach a c Enter Amount of tax imposed on the organization managers or disqualified Enter Amount of tax in 40c, above, reimbursed by the organization.	the amount involved is included on line 9 under O - , section 4955 tion 4958 excess benefit transaction explanation in dipersons during the year under section of the columbia ET OF COLUMBIA	38b 39a 39b	N/ N/ N/ O. did it b	A A A A A A A A A A A A A A A A A A A		x 0. 0.

SCHEDULE A (Form 990)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

► MUST be completed by the above organizations and attached to their Form 990 or 990-EZ
TELECOMMUNICATIONS RESEARCH & ACTION

1999

OMB No 1545-0047

Department of the Tressury Internal Revenue Service Name of the organization

TELECOMMUNICATIONS RESEARCH & ACTION CENTER

Employer Identification number 52 0988429

Part I. Compensation of the Five Highest Paid Emplo	yees Other Than Off	icers, Directo	rs, and Trus	tees
(See instructions: List each one. If there are none, enter "None") (a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
	<u> </u>			
Total number of other employees paid over \$50 000 ▶	0			
Part II Compensation of the Five Highest Paid Independent (See instructions List each one (whether individuals or firms) If there		or Professiona	al Services	
(a) Name and address of each independent contractor paid more the	an \$50,000	(b) Type of s	ervice	(c) Compensation
NONE				
Total number of others receiving over \$50,000 for professional services	0	, v ,		,

TELECOMMUNICATIONS RESEARCH & ACTION 52-0988429 Schedule A (Form 990) 1999 CENTER Page 2 Part III Statements About Activities Yes No During the year, has the organization attempted to influence national, state or local legislation, including any attempt to influence public X opinion on a legislative matter or referendum? 1 If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities During the year, has the oganization, either directly or indirectly, engaged in any of the following acts with any of its trustees directors, officers, creators, key employees or members of their families, or with any taxable organization with which any such person is attiliated as an officer, director, trustee, majority owner, or principal beneficiary Х a Sale, exchange or leasing of property? 2a X 2b b Lending of money or other extension of credit? Х c Furnishing of goods, services, or facilities? 2c Х 4 Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? 2d X e Transfer of any part of its income or assets? 2я SEE STATEMENT 4 If the answer to any question is "Yes," attach a detailed statement explaining the transactions Does the organization make grants for scholarships, fellowships, student loans, etc.? 4 a Do you have a section 403(b) annuity plan for your employees? 4a b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions.) Reason for Non-Private Foundation Status (See instructions) The organization is not a private foundation because it is (Please check only ONE applicable box) 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i) 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 4) 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii) 8 A Federal, state or local government or governmental unit. Section 170(b)(1)(A)(v) q A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A.) X An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A) 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.) 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A) An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3)) Provide the following information about the supported organizations (See page 4 of the instructions.) (b) Line number (a) Name(s) of supported organization(s) from above

An organization organized and operated to test for public safety. Section 509(a)(4). (See page 4 of the instructions.)

Schedule A (Form 990) 1999

CENTER

Pa	TIV-A Support Schedule (C Note You may use th	complete only if you ch se worksheet in the ins	ecked a box on line 1 tructions for converting	0, 11, or 12 above) Us g from the accrual to the	e cash method of achie cash method of acc	counting. counting
<u>begin</u>	dar year (or fiscal year ining in)	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15	Gifts grants and contributions received (Do not include unusual grants. See tine 28.)	13,200.	2,981.	16,733.	16,925.	49,839.
16	Membership fees received					
17	Gross receipts from admissions,					
	merchandise sold or services performed, or furnishing of facilities					
	in any activity that is not a business	;				
	unrelated to the organization s charitable, etc., purpose	17,108.	21,837.	43,848.	13,438.	96,231.
18		17,100.	21,037	43,040.		30,231.
10	Gross income from interest, dividends, amounts received from					
	payments on securities loans (section 512(a)(5)), rents, royalties, and					
	unrelated business taxable income					
	(less section 511 taxes) from businesses acquired by the					
	organization after June 30, 1975	56.	69.	986.	798.	1,909.
19	Net income from unrelated business					
	activities not included in line 18			7,471.		7,471.
20	Tax revenues levied for the organization si benefit and either paid to it or expended					
	on its behalf					
21	The value of services or facilities					
	furnished to the organization by a governmental unit without charge					
	Do not include the value of services					
	or facilities generally furnished to the public without charge					
22	Other Income Attach a schedule Do not			SEE STATEME	NT 5	
	include gain or (loss) from sale of capital assets		15.		9.	5,533.
23	Total of lines 15 through 22	30,364.	24,902.		31,170.	160,983.
24	Line 23 minus line 17	13,256.	3,065.		17,732.	64,752.
25	Enter 1% of line 23	304.	249.	745.	312.	
26	Organizations described in lines 10				▶ 26a	1,295.
þ	Attach a list (which is not open to pu	• •		•	, ,	~ <u>~</u>
	governmental unit or publicly suppo	•	total gifts for 1995 throu	gh 1998 exceeded the am	_	;
	in line 26a. Enter the sum of all these	excess amounts			► 26b	0.
	Total support for section 509(a)(1) to	act Enter line 24 column	/a\		▶ 28c	64,752.
	Add Amounts from column (e) for it		1 000	7,4	71.	
٠	riad randants from column (a) for it	22		5b	≥ 26d	14,913.
8	Public support (line 26c minus line 2	26d total)			▶ 26a	49,839.
<u>f</u>	Public support percentage (line 26)	e (numerator) divided by	line 26c (denominator))	▶ 261	76.9691%
27	Organizations described on line 12	a For amounts includ	ed in lines 15, 16, and 17	that were received from a		tach a list to show the name
	of, and total amounts received in each	· ·	liffied person " Enter the		each year N/A	
	(1998)	(1997)		(1996)	(1995)	
Þ	•					• •
	that was more than the larger of (1) individuals.) After computing the diff		=	=		
	• • •	/A	nir iscaisan ann nio isiñi	er amount decribed at (1)	or (2) , enter the Sum of th	isza milisisticaz (ms
	(1998)	(1997)		(1996)	(1995)	
	(1000)	()		(,	(1000)	
C	Add Amounts from column (e) for li	nes 15		16		
	17	20		21		N/A
d	Add Line 27a total		line 27b total	_ 	<u>≥ 270</u>	N/A
8	Public support (line 27c, total minus	•		ا سا	278	N/A
f	Total support for section 509(a)(2) to			· 	N/A	λτ/λ
9	Public support percentage (lin				27g	N/A % N/A %
	Investment income percentage Inusual Grants For an organization	<u>-</u>				
p	sublic inspection) for each year showing these grants in line 15 (See instruction	ng the name of the contrib	outor, the date and amou	nt of the grant, and a brief	description of the nature	of the grant. Do not include

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Schedule A (Form 990) 1999

NONE

52-0988429

Page 3

Schedule A (Form 990) 1999 CENTER

Part V Private School Questionnaire

CENTER

52-0988429

Page 4

<u>ra</u>	(To be completed ONLY by schools that checked the box on line 6 in Part IV)	<u>N/</u>	Α	
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing		Yes	No
	instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues,			ئسدا
	and other written communications with the public dealing with student admissions, programs, and scholarships?	30	ļ	ļ
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of			ľ
	solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known			
	to all parts of the general community it serves?	31	ļ	
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	_		,
		_		,,;
32	Does the organization maintain the following	-		
а	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
Ь	Records documenting that scholarships and other financial assistance are awarded on a racially		l i	1
	nondiscriminatory basis?	32b		
C	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student			
	admissions, programs, and scholarships?	320		
đ	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	ļ	
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	_		,
33	Does the organization discriminate by race in any way with respect to			
а	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
C	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	331		
g	Athletic programs?	33 g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			3
		_		, .
34 a	Does the organization receive any financial aid or assistance from a governmental agency?			
þ	Has the organization's right to such aid ever been revoked or suspended?	34b	ļ	
	If you answered "Yes" to either 34a or b, please explain using an attached statement			~~~
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50,			
	1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		1

Schedule A (Form 990) 1999

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

		N/A			
Calendar year (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
45 Lobbying nontaxable amount					0
46 Lobbying ceiling amount (150% of line 45(e))					0
47 Total lobbying expenditures					0
48 Grassroots nontaxable amount					0
49 Grassroots ceiling amount (150% of line 48(e))	,		, ,		0
50 Grassroots lobbying expenditures			:		0

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

If "Yes" to any of the above	e, also attach a statement giving a detailed	description of the lobbying activities

Yes	No	Amount
		,
		0.

, Cebadula		TELECOMMUNICATION CENTER	S RESEARCH &		88429	Page 6
Part \			Transactions and	Relationships With Nonchar		1 000 0
44.	Exempt Organi					
51 Di	d the reporting organization d	directly or indirectly engage in any of	the following with any other	r organization described in section		
50)1(c) of the Code (other than :	section 501(c)(3) organizations) or in	section 527, relating to po	litical organizations?		
a Tr	ansters from the reporting on	ganization to a noncharitable exempt	organization of		Ye	
(i) Cash				51a(ı)	X
(i	ı) Other assets				a(iı)	X
b Ot	her transactions				1 1	
(i) Sales of assets to a noncha	aritable exempt organization			b(1)	X
(1	 Purchases of assets from a 	a nonchantable exempt organization			b(II)	X
(i)	i) Rental of facilities or equipi	ment			b(in)	X
(n	r) Reimbursement arrangeme	ents			<u>b(</u> ™)	X
(1	r) Loans or loan guarantees				b(v)	<u> </u>
(v	 Performance of services or 	r membership or fundraising solicitati	ions		b(vi)	<u> </u>
		mailing lists other assets, or paid er			<u> </u>	X
	•			atways indicate the fair market value of the		
-		s given by the reporting organization	_	_	37./	
		nent, show in column (d) the value of	the goods, other assets o		N/	<u> </u>
(a) Line no	(b) Amount involved	(c) Name of noncharitable exe	ernnt organization	(d) Description of transfers, transactions and	i sharino arrano	ements
	- Allount NITOIVSS	Trains of Honorica Honorica		Sociation of transfers, transactions and		
						
		 				
						
						
						
•••						
		<u> </u>				
		<u></u>				
						
		<u> </u>		<u> </u>		
	•	•	one or more tax-exempt org	anizations described in section 501(c) of the		
	ode (other than section 501(c			▶ ∟	Yes	X No
В п	Yes, complete the following			T		
	(a Name of on) manization	(b) Type of organization	(c) Description of relations	shin	
		94	, , , po or or gomestion	3000,000 01 10000		
				 		
	-					
			-			-
					 ·	
-						
				1		

FORM 990-EZ	OTHER EXPENSES	STATEMENT 1
DESCRIPTION		AMOUNT
BANK SERVICE CHARGES MANAGEMENT FEES MEALS & ENTERTAINMENT OFFICE SUPPLIES OUTSIDE SERVICES TELEPHONE, FAXES, ETC. TRAVEL & TRANSPORTATION DUES		349. 24,000. 102. 186. 4,078. 3,056. 1,589. 110.
TOTAL TO FORM 990-EZ, LINE 16		33,470.
	FOOTNOTES	STATEMENT 2

FORM 990-EZ WAS NOT FILED FOR THE YEAR ENDING 9/30/2000 AS NO FORMS WERE RECEIVED AND THERE WAS NO EXPECTATION OF RECEIPTS BEING GREATER THAN THE \$25,000 MINIMUM FILING REQUIREMENT.

FORM 990-EZ	PART III - STATEMENT OF ORGANIZATION'S
	PRIMARY EXEMPT PURPOSE

STATEMENT

3

EXPLANATION

TO EDUCATE CONSUMERS AND PUBLIC EDUCATION ON TELECOMMUNICATIONS OPTIONS.

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH DIRECTORS, STATEMENT 4
TRUSTEES, PRINCIPAL OFFICERS OR CREATOR
PART III, LINE 2

DURING THE YEAR, TELECOMMUNICATIONS RESEARCH & ACTION CENTER PURCHASED GOODS AND SERVICES FROM AN AFFILIATED TAXABLE ORGANIZATION NAMED ISSUE DYNAMICS, INC. ISSUE DYNAMICS, INC. PROVIDED MANAGEMENT SERVICES AS WELL AS OVERHEAD COSTS FOR FEES TO TELECOMMUNICATIONS ACTION & RESEARCH CENTER.

SCHEDULE A	OTHER IN	COME	Si	TATEMENT 5
DESCRIPTION	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT	1995 AMOUNT
ADVERTISING MISCELLANEOUS ROYALTY		15.	5,435. 74.	9.
TOTAL TO SCHEDULE A, LINE 22		15.	5,509.	9.

As of December 22, 1999

TRAC BOARD OF DIRECTORS

Sam Simon, Chairman of the Board TRAC P.O Box 27279 Washington, DC 20005 (202) 408-1130

Andrew Schwartzman MAP 950 18th Street, NW Suite 220 Washington, DC 20006 (202) 454-5681

Henry Geller 3001 Veasey Terrace Apt #720 Washington, DC 20008 (202) 362-4241

Dirck Hargraves, Secretary Issue Dynamics Inc 919 18th Street, NW 10th Floor Washington, DC 20005 (202) 263-2900

Jay Halfon, Treasurer 215 West 88th Street Suite #5-E New York, NY 10024-2326 (212) 501-7002 Irh Chalfon. Com

Everett Parker 11 Midland White Plains, NY 10606 (914) 946-0097

(replaced Emmitt Carlson)

Form 990-EZ

Short Form Return of Organization Exempt From Income Tax

Under section 501(c) of the internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

For organizations with gross receipts less than \$100,000 and total assets
less than \$250,000 at the end of the year

OMB No. 1545-1150

This Form is Open to Public

Department of the Treasury Internal Revenue Service

Inspection The organization may have to use a copy of this return to satisfy state reporting requirements. 9/30,19 99 10/ . 1998, and ending For the 1998 calendar year, OR tax year beginning D Employer identification number C Name of organization Check if: Diasea TELECOMMUNICATIONS RESEARCH & ACTION use IRS Change of label or 52-0988429]Initial return print or E Telephone number type. Number and street (or P.O. box, if mail is not delivered to street address) Room/suite Final 202-263-2900 Specific P.O. BOX 12038 F Check ► ____ if exemption City or town, state or country, and ZIP code + 4 application is pending WASHINGTON, DC 20005 H Enter four-digit group exemption number (GEN) Cash X Accrual Other (specify) G Accounting method: Type of organization - ► X Exempt under Section 501(c) (3) ► (insert number) OR ► Section 4947(a)(1) nonexempt charitable trust Note: Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990). Check > X if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, the organization should file a return without financial data. Some states require a complete return. 30,364. K Enter the organization's 1998 gross receipts (add back lines 5b, 6b, and 7b, to line 9) If \$100,000 or more, the organization must file Form 990 instead of Form 990-EZ. Revenue, Expenses, and Changes in Net Assets or Fund Balances Part I 13,200. Contributions, gifts, grants, and similar amounts received 17,108. 2 Program service revenue including government fees and contracts Membership dues and assessments 3 56. Investment income Gross amount from sale of assets other than inventory Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) Special events and activities (attach schedule): Gross revenue (not including \$ reported on line 1) Net income or (loss) from special events and activities (line 6a less line 6b) Gross sales of inventory, less returns and allowances Gross profit or (loss) from sales of inventory (line 7a less line 7b) 7c 8 Other revenue (describe 30,364. g 10 Grants and similar amounts paid 10 11 11 Benefits paid to or for members Salaries, other compensation, and employee benefits Professional fees and other payments to independent contractors EIVED 12 12 1,534.13 14 Occupancy, rent, utilities, and maintenance 14 8,142. 15 15 56,041. 16 Other expenses (describe 16 65,717. 17 Total expenses (add lines 10 through 16). 17 <35,353. 18 Excess or (deficit) for the year (line 9 less line 17) 18 Net Assets Net assets or fund balances at beginning of year (from line 27, column (A)) 19 <10,648.> (must agree with end-of-year figure reported on prior year's return) 19 Other changes in net assets or fund balances (attach explanation) 20 < 46.001.Net assets or fund balances at end of year (combine lines 18 through 20) 21 Balance Sheets - If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ. (B) End of year (A) Beginning of year 2.474. 22 3,895. Cash, savings, and investments 23 13,000. 24 24 15,474.25 4,647. 25 Total assets 26,122.26 50,648. Total liabilities (describe > ACCOUNTS PAYABLE 26

<46,001.

<10,648.>27

Net assets or fund balances (line 27 of column (B) must agree with line 21)

F	EZ (1998)	TELECOMMUNICATIONS CENTER	RESEAR	CII & ACIION	•	52-	-09884	129	Page
Part III	Statem	ent of Program Service Accor	mplishmer	nts				xpenses	
		s primary exempt purpose?			-		7		
*							(Required organizati		
Describe w	vhat was achiev the number of	ved in carrying out the organization's exempt persons benefited, or other relevant informat	t purposes. In a tion for each pr	clear and concise manner, de ogram title.	escribe the services		trusts; op		
		UCATION - CONSUMER A							
		MMUNICATIONS OPTIONS							-
				(Grants \$)	28a	65	<u>,717</u>
29							`.		
		-		(Grants \$.)	29a		
30									
						<u> </u>			
	<u>.</u>		·	(Grants \$	-		30a		-
31 Other	program servi	ces (attach schedule)		(Grants \$			31a	<i>C</i> =	717
32 Total	program servi	ce expenses (add lines 28a through 31a) Officers, Directors, Trustees,	and Kov E	mployees /liet such one	oven if not compar		32	65	<u>,717</u>
Part IV	LISTOR	Jilicers, Directors, Trustees,	and Ney E		F			(5)	·
•	-	(A) Name and address		(B) Title and average hours per week devoted to position	(if not paid, enter	to em	ontributions ployee benefit s & deferred	acce	Expense ount and allowance
		<u> </u>		position	-0-)	cor	npensation	Other	21101141100
SEE A	ATTACHE	D SCHEDULE					_		_
					0.	ļ	0.		0
			<u></u>					 	
				<u> </u>	<u> </u>	 			
Part V	Other	Information						ΙY	es No
		n engage in any activity not previously report	ted to the IRS?	If "Yes." attach a detailed desc	ription of each activ	ity			X
34 Were	e any changes	made to the organizing or governing docume	ents but not rep	orted to the IRS? If "Yes," atta-	ch a conformed copy of	the cha	nges.		Х
35 If the	e organization l	nad income from business activities, such as	s those reported	on lines 2, 6, and 7 (among o	others), but NOT rep	orted o	on		
Form	n 990-T, attach	a statement explaining your reason for not re	eporting the inc	ome on Form QQA-T	•				
a Did tl	he organization			ome on roun 330 i.					5 5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
h If"Ya	ne " hae it filad :	n have unrelated business gross income of \$			and proxy tax require	ements	s?		X
		a tax return on Form 990-T for this year?	31,000 or more	or 6033(e) notice, reporting, a					X A\V
36 Was	there a liquida	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial o	61,000 or more o	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach	a statement)				X
36 Was	there a liquida	a tax return on Form 990-T for this year?	61,000 or more o	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach	a statement)				X N/A X
36 Was 37a Enter	there a liquida r amount of po the organization	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial o litical expenditures, direct or indirect, as deso n file Form 1120-POL, for this year?	61,000 or more contraction duri	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions.	a statement) 37a		0		X A\V
 36 Was 37a Enter b Did ti 38a Did ti 	there a liquida r amount of po the organization the organization	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as desc n file Form 1120-POL, for this year? n borrow from, or make any loans to, any offi	61,000 or more contraction duri cribed in the ins	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions.	a statement) 37a astatement)	nade in	O		X N/A X
 36 Was 37a Enter b Did the 38a Did the year 	there a liquidar r amount of po the organization the organization and still unpaid	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as desc in file Form 1120-POL, for this year? in borrow from, or make any loans to, any offict if at the start of the period covered by this ret	61,000 or more contraction duri cribed in the ins ficer, director, tr turn?	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions. ustee, or key employee OR wa	a statement) 37a	nade in	O n a prior		X N/A X
36 Was 37a Enter b Did ti 38a Did ti year 3 b If "Ye	there a liquida r amount of po the organization the organization and still unpaid es," attach the s	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as deso n file Form 1120-POL, for this year? n borrow from, or make any loans to, any offit d at the start of the period covered by this ret schedule specified in the line 38 instructions	contraction duri contraction duri cribed in the ins ficer, director, tr turn?	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach structions. ustee, or key employee OR we mount involved	a statement) 37a ere any such loans n	nade in	0 a prior		X N/A X
36 Was 37a Enter b Did to 38a Did to year a b If "Ye 39 501(a	there a liquida r amount of po the organization the organization and still unpaid as," attach the s (c)(7) organizat	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as deso in file Form 1120-POL, for this year? in borrow from, or make any loans to, any official at the start of the period covered by this ret is chedule specified in the line 38 instructions in the line 38 instructions. - Enter: a Initiation fees and capital co	contraction duriciped in the institution, true in the institution, true in the and enter the anontributions incl	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions. ustee, or key employee OR we mount involved luded on line 9	a statement) 37a	nade in	0 a prior 'A		X N/A X
36 Was 37a Enter b Did th 38a Did th year a b If "Ye 39 501(d b Gross	there a liquidar amount of po the organization the organization and still unpaides," attach the story organization are celpts, incl	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as descentile Form 1120-POL, for this year? the borrow from, or make any loans to, any official at the start of the period covered by this retected by the second specified in the line 38 instructions in the line 38 instructions. Enter: a Initiation fees and capital couded on line 9, for public use of club facilities.	contraction duri contraction duri cribed in the ins ficer, director, tr turn? and enter the ar contributions incl	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions. ustee, or key employee OR wa mount involved luded on line 9	a statement) 37a	nade in	0 a prior 'A		X N/A X
36 Was 37a Enter b Did th 38a Did th year a b If "Ye 39 501(d b Gross 40a 501(d	there a liquidar amount of poon the organization the organization and still unpaides," attach the second organization organization organization organization (c)(3) organization organizati	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as described file Form 1120-POL, for this year? to borrow from, or make any loans to, any official at the start of the period covered by this retectedule specified in the line 38 instructions sitions Enter: a Initiation fees and capital couded on line 9, for public use of club facilities tions Enter: Amount of tax imposed during	contraction duri contraction duri cribed in the ins ficer, director, tr turn? and enter the ar contributions incl s	or 6033(e) notice, reporting, a ing the year? (If "Yes," attach a structions. ustee, or key employee OR wa mount involved luded on line 9	a statement) 37a	nade in N/ N/	0 a prior 'A 'A 'A		X N/A X
36 Was 37a Enter b Did ti 38a Did ti year 3 b If "Ye 39 501(0 b Gross 40a 501(0 section	there a liquidar amount of poon the organization the organization and still unpaides," attach the scoot organization receipts, inclico (3) organization 4911	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as described file Form 1120-POL, for this year? to borrow from, or make any loans to, any official at the start of the period covered by this retachedule specified in the line 38 instructions sitions Enter: a Initiation fees and capital couded on line 9, for public use of club facilities tions Enter: Amount of tax imposed during 0.; section 4912	contraction duri contraction duri cribed in the ins ficer, director, tr turn? and enter the ar contributions inclusions the year under:	or 6033(e) notice, reporting, a sing the year? (If "Yes," attach a structions. ustee, or key employee OR was mount involved luded on line 9	a statement) 37a	nade in	0 a prior 'A 'A 'A		X N/A X
36 Was 37a Enter b Did to 38a Did to year 3 501(0 b Gross 40a 501(0 b	there a liquidar amount of poor the organization and still unpaides," attach the second organization organization 4911 \(\)(c)(3) and 501(a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as described file Form 1120-POL, for this year? n borrow from, or make any loans to, any offict at the start of the period covered by this retected by the second of the period covered by this retected by the second of the specified in the line 38 instructions at the start of the period covered by this retected on line 9, for public use of club facilities in the second of the covered by the second of the second of the second of the second of the organization of the second of the organization of the organization of the second of the organization of the organization of the organization of the second of the organization of the org	contraction duricribed in the institution, trun? and enter the arountributions inclusion, the year under	or 6033(e) notice, reporting, a sing the year? (If "Yes," attach a structions. ustee, or key employee OR we mount involved luded on line 9 O.; section 4955	a statement) 37a	nade in N/ N/	0 a prior 'A 'A 'A		X N/A X X
36 Was 37a Enter b Did th 38a Did th year 3 501(0 b Gross 40a 501(0 b 501(0 durin	there a liquidar amount of poon the organization and still unpaides," attach the second organization and still properties receipts, including the year? If	a tax return on Form 990-T for this year? tion, dissolution, termination, or substantial of litical expenditures, direct or indirect, as described file Form 1120-POL, for this year? n borrow from, or make any loans to, any offict at the start of the period covered by this retachedule specified in the line 38 instructions sions Enter: a Initiation fees and capital couded on line 9, for public use of club facilities itions Enter: Amount of tax imposed during O .; section 4912 c)(4) organizations Did the organization en	contraction duri cribed in the ins licer, director, tr turn? and enter the ar contributions incl s the year under	or 6033(e) notice, reporting, a sing the year? (If "Yes," attach a structions. ustee, or key employee OR was mount involved luded on line 9 O .; section 4955 ction 4958 excess benefit trans	a statement) 37a	nade in N/N/N/	0 a prior 'A 'A 'A		X N/A X X
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SCHEDULE A (Form 990)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

Must be completed by the above organizations and attached to their Form 990 or 990EZ.

1998

OMB No. 1545-0047

Department of the Treasury Internal Revenue Service Name of the organization

TELECOMMUNICATIONS RESEARCH & ACTION CENTER

Employer identification number 52 0988429

(See instructions. List each one. If there are none, enter "None.")		icers, Directo	•	-
(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE			-	
		-		
			-	
		,		
<u> </u>				
Total number of other employees paid	0.			
over \$50,000 Part II Compensation of the Five Highest Paid Indep	endent Contractors f	or Profession	al Services	
(See instructions. List each one (whether individuals or firms). If ther (a) Name and address of each independent contractor paid more t	·	(b) Type of s	service	(c) Compensation
				~~
NONE			٠.	
			-	
	-			

Pε	ort III Statement About Activities		Yes	No
	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public			Х
	opinion on a legislative matter or referendum?	1		, A
	If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities.	-		
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other			
	organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of			
_	the lobbying activities.	-		
2	During the year, has the oganization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors,			
	officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is			
`_	affiliated as an officer, director, trustee, majority owner, or principal beneficiary: Sale, exchange, or leasing of property?	2a	10000000000	X
а	Sale, exchange, or leasing of property?	***		<u> </u>
.	Lending of money or other extension of credit?	2b		Х
n	Lending of money of other extension of creat:			
	Furnishing of goods, services, or facilities?	2c	Х	
·	Fullishing of goods, services, or admitted:			
rl	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d		X
ч	Taymont of componential (or paymont or terminal or ter		ľ	
А	Transfer of any part of its income or assets?	2e	<u> </u>	X
ŭ	If the answer to any question is "Yes," attach a detailed statement explaining the transactions. SEE STATEMENT 3			
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	3		X
4 a	Do you have a section 403(b) annuity plan for your employees?	4a		X
b	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in			
	furtherance of its charitable programs qualify to receive payments. (See instructions.)			
P	Reason for Non-Private Foundation Status (See instructions.)	<u> </u>	,	
The	organization is not a private foundation because it is (Please check only ONE applicable box):			
5	A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).	-		
6	A school. Section 170(b)(1)(A)(ii), (Also complete Part V, page 4.)			
7	A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).			
8	A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).			
9	A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city	1		-
	and state	(bA		
10	An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)	(IV).		
	(Also complete the Support Schedule in Part IV-A.)			
11:			٠,	
	Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)			
111	The second secon			
12	receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of			
	its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired	1		
	by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)	•		
	by the organization after June 30, 1973. See Section 303(2)(2). (Also complete the Support Sensor and Sen	,		-
. 46	An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations de	escribed in		
13	(1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3)	.)		
_	Provide the following information about the supported organizations. (See instructions on page 4.)			-
_		(b) Li	ne num	ıber
	(a) Name(s) of supported organization(s)	_ f	rom ab	0V0
				-
-				
1	An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions on page 4.)			

CENTER

Pa	Support Schedule (C Note: You may use th	Complete only if you ch	ecked a box on line 10 tructions for converting), 11, or 12 above.) U s g from the accrual to th	e cash method of ac ne cash method of acc	counting. counting.
begin	ndar year (or fiscal year Ining in)	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
15	Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,981.	16,733.	16,925.	23,357.	59,996.
16	Membership fees received		S			
17	Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's					
	charitable, etc., purpose	21,837.	43,848.	13,438.	37,576.	116,699.
18	Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the		005	700	342.	2,195.
	organization after June 30, 1975	69.	986.	798.	342.	2,133.
19	Net income from unrelated business	·	7,471.			7,471.
20	activities not included in line 18 Tax revenues levied for the organization's		7 . 7 . 2 .			
	benefit and either paid to it or expended on its behalf				-	
21	The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22	Other income. Attach a schedule. Do not include gain or (loss) from sale of capital	15.	5,509.	SEE STATEME	NT 4	5,536.
23	Total of lines 15 through 22	24,902.	74,547.		61,278.	
24	Line 23 minus line 17	3,065.	30,699.			
25	Enter 1% of line 23	249.	745.	312.	613.	
26	Organizations described in lines 10	or 11: a Enter 2% of	amount in column (e), lir	ne 24	► 26a	1,504.
	Attach a list (which is not open to pugovernmental unit or publicly suppoin line 26a. Enter the sum of all these Total support for section 509(a)(1) the Add: Amounts from column (e) for line is the support of the section 509(a)(1) to the section	erted organization) whose e excess amounts test: Enter line 24, column	total gifts for 1994 throu	gh 1997 exceeded the an	26b 26c 71.	75,198.
-		22		6b		15,202.
ę	Public support (line 26c minus line	26d total)				59,996.
f	Public support percentage (line 26	e (numerator) divided by	line 26c (denominator))	≥ 26f	79.7840%
27 b	that was more than the larger of (1) individuals.) After computing the difference are expected for each year.	ch year from, each "disqu (1996) tat was received from a r) the amount on line 25 fo ference between the amo	alified person." Enter the nondisqualified person, at r the year or (2) \$5,000 unt received and the larg	sum of such amounts for (1995) tach a list to show the na (Include in the list organizer ar amount decribed in (1)	each year. N/A (1994 me of, and amount receivations described in lines or (2), enter the sum of t)
	(1997)	(1996)	•	•)
8	Add: Amounts from column (e) for l 17 Add: Line 27a total	lines: 15	<u> </u>	16	▶ 27c	l N/A
	17	20	line 97h total	. 41	≥ 27d	+
d	Add: Line 27a total Public support (line 27c, total minus	and	mie zau (Otal		270	N/A
ŧ	Total support (line 27c, total minus Total support for section 509(a)(2)	test: Enter amount on line	23. column (e)	▶ 271	N/A	
. I		te 27e (numerator) dis	rided by line 27f. (der	nominator))		
h	Investment income percentag	e (line 18 column (e)	(numerator) divided b	y line 27f (denominal	tor)) > 27h	N/A %
28	Unusual Grants: For an organizațio public inspection) for each year showi these grants in line 15. (See instructio	n described in line 10, 11 ing the name of the contri	, or 12, that received any butor, the date and amou	unusual grants during 19 int of the grant, and a brie NON	994 through 1997, attach If description of the natur	a list (which is not open to e of the grant. Do not include

Par	Private School Questionnaire (To be completed ONLY by schools that checked the box on line 6 in Part IV)	N/	Ā	
			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues,			
	and other written communications with the public dealing with student admissions, programs, and scholarships?	30	3.033.8.**	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known			
	to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
	If 145, please describe, if two, please explaint fit you need those space, attach a coparate statement.			
•				
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially	ļ		
u	nondiscriminatory basis?	32b		
C	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student			
. •	admissions, programs, and scholarships?	32c	·	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		<u> </u>
_	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	_		
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	. 33a		
b	Admissions policies?	33b		
G	Employment of faculty or administrative staff?			
ď	Scholarships or other financial assistance?	. 33d	<u> </u>	<u> </u>
6	Educational policies?	33e		<u> </u>
f	Use of facilities?	. <u> 33f</u>		ļ. —
g	Athletic programs?	. <u>33g</u>		┞
ħ	Other extracurricular activities?	. 33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
		-		
		_		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	. 34a		
b b	Has the organization's right to such aid ever been revoked or suspended?	. 34b		
u	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50,	. 35		
	1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	. 00	Ь	

Schedule A (Form 990) 1998	CENTER			<u> </u>	52-	0988429 Pa	ge 5
Part VI-A Lobbying I					• .	N/A	
- '- '	ed ONLY by an eligible organiz		'}		 	14/17	
. —	ganization belongs to an affiliat						
Check here 🕨 b 💹 if you ch	ecked "a" above and "limited c	ontrol provisions apply.		·		(b)	—
Li	imits on Lobbying Ex	penditures		(a)		(b) To be completed for Al	
(The ter	m "expenditures" means amou	nts paid or incurred)		Affiliated gro	tup totals	electing organizations	;
. (1110-111		-	1 1	N/A	,		
36 Total lobbying expenditures t	o influence nublic eninion (ara	sernate Inhhvina)	36	-		•	
37 Total lobbying expenditures t						· · · · · · ·	
	(add lines 36 and 37)			-			
·	ditures						
	ditures (add lines 29 and 20)		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
	t. Enter the amount from the fo						
41 Lobbying nontaxable amount If the amount on line 40 is -		nontaxable amount is -					
	20% of the amo						
	0,000 \$100,000 plus 1						
	500,000 \$175,000 plus 1				***************************************	·	·······
	,000,000 \$225,000 plus 5		00000000				
	\$1,000,000 \$1,000,000						
	int (enter 25% of line 41)				••••	,	******
	. Enter -0- if line 42 is more tha						
	. Enter -0- if line 41 is more tha					-	
- Cabitatinia 11 nom ma Co							
Caution: If there is an amo	ount on either line 43 or line	e 44, you must file Forn	n 4720.				
	-					-	
		Year Averaging Period U				•	
	(Some organizations that mad	e a section 501(h) electio	n do not have to com	plete all of the five	columns		
	belo	w. See the instructions fo	r lines 45 through 50.)			—
		Lobbying Exp	enditures During 4-Y	ear Averaging Pe	eriod	N/A	
Calendar year (or	(a)	(b)	(c)		(d)	(e)	
fiscal year beginning in)	1998	1997	1996		1995 .	Total	
45 Lobbying nontaxable amount							0.
46 Lobbying ceiling amount							_
(150% of line 45(e))							0.
47 Total lobbying							
expenditures							0.
48 Grassroots nontaxable							
amount		•					0.
49 Grassroots ceiling amount							
(150% of line 48(e))							0.
50 Grassroots lobbying							<u>.</u> .
expenditures	- ; '		***				0.
Part VI-B Lobbying	Activity by Nonelect only by organizations that did	ing Public Chariti not complete Part VI-A)	es		•	N/A	
During the year, did the organizat			n, including any atten	ıpt to	Yes No	Amount	
influence public eninion on a legi					100	- Filliuulik	

(For reporting only by organizations that did not complete Part VI-A)			N/A
During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h)		<u> </u>	
c Media advertisements			· · · · · · · · · · · · · · · · · · ·
d Mailings to members, legislators, or the public	·		<u> </u>
e Publications or published or broadcast statements	·		
f Grants to other organizations for lobbying purposes	· <u> </u>		
g Direct contact with legislators, their staffs, government officials, or a legislative body		L.	·
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			<u> </u>
If "Vac" to any of the above, also attach a statement giving a detailed description of the lobbying activities.			

Schedule		ELECOMMONICATIC ENTER	MO KESEAMCH d	ACTION	52-0988429	Page 6
Dart	/III Information Rec	parding Transfers To a	nd Transactions and	Relationships With		
Part.	Exempt Organiz	ations				
51 Di		rectly or indirectly engage in any	of the following with any other	r organization described in sect	ion	
		ection 501(c)(3) organizations) o				
		anization to a noncharitable exen			Yes	No
		*************			51a(i)	X
		*****************				X
	her transactions:					
(i) Sales of assets to a noncha	ritable exempt organization	,		b(i)	X
(1) Purchases of assets from a	noncharitable exempt organization	nc	***************************************	b(ii)	X
(ii	i) Rental of facilities or equipn	nent	•••••	***************************************	b(iii)	X
(i)) Reimbursement arrangeme	nts	•••••		b(iv)	X
						X
		membership or fundraising solic				X
c St	aring of facilities, equipment,	mailing lists, other assets, or paid	d employees			X
d If	the answer to any of the above	is "Yes," complete the following	schedule. Column (b) should a	always indicate the fair market v	alue of the	
go	ods, other assets, or services	given by the reporting organizati	on. If the organization received	l less than fair market value in a	iny N/A	
tra	insaction or sharing arrangem	ent, show in column (d) the value	e of the goods, other assets, o	r services received.		7
(a)	(b)	(c) Name of noncharitable		Description of transfers tran	(d) sactions, and sharing arranger	ments
Line no.	Amount involved	Marile of Honellandapie	exompt organization	Boomption of Canada of Can		
		r <u>-</u>	<u></u>			

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			**			
			1.4fr.			
		directly affiliated with, or related t			501(c) of the Yes	☑ No
b lf	"Yes," complete the following s	schedule. N/Z	<u> </u>		<u></u>	
	(a)		(b)	Descripti	(c) on of relationship	
	Name of org	ganization	Type of organization	Descripti	on or relationship	
		, , , , , , , , , , , , , , , , , , ,				
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				<u></u>		
		***			<u>-</u>	
-				***		

FORM 990-EZ	OTHER EXPENSES		STATEMENT	1
DESCRIPTION			TNUOMA	
BANK SERVICE CHARGES MANAGEMENT FEES MEALS & ENTERTAINMENT OFFICE SUPPLIES OUTSIDE SERVICES TELEPHONE, FAXES, ETC. TRAVEL & TRANSPORTATION DUES UNCOLLECTIBLE CONSULTING FEES NEWSROOM MANAGER			24,00 1: 3,90 5,1:	25. 25. 25. 25. 25. 26.
TOTAL TO FORM 990-EZ, LINE 16			56,0	41.
FORM 990-EZ	OTHER ASSETS		STATEMENT	2
DESCRIPTION		BEG. OF YEAR	END OF YE	AR
ACCOUNTS RECEIVABLE CREDIT CARD RECEIVABLE		13,000.	7!	0. 52.
TOTAL TO FORM 990-EZ, LINE 24		13,000.	7!	52.
TRUSTEES, PRIN	OING ACTIVITIES WICIPAL OFFICERS OF	ITH DIRECTORS, R CREATOR	STATEMENT	3

DURING THE YEAR, TELECOMMUNICATIONS RESEARCH & ACTION CENTER PURCHASED GOODS AND SERVICES FROM AN AFFILIATED TAXABLE ORGANIZATION NAMED ISSUE DYNAMICS, INC. ISSUE DYNAMICS, INC. PROVIDED MANAGEMENT SERVICES AS WELL AS OVERHEAD COSTS FOR FEES TO TELECOMMUNICATIONS ACTION & RESEARCH CENTER.

SCHEDULE A	OTHER INCOME			TATEMENT 4
DESCRIPTION	1997 AMOUNT	1996 AMOUNT	1995 AMOUNT	1994 AMOUNT
ADVERTISING MISCELLANEOUS ROYALTY	15.	5,435. 74.	9.	3.
TOTAL TO SCHEDULE A, LINE 22	15.	5,509.	9.	3.

March 1998 TRAC Board

Sam Simon, Chairman of the Board

Andrew Schwartzman MAP Suite 400 1707 L Street N.W. Washington, DC 20036

Henry Geller 3001 Veasey Terrace Apartment 720 Washington, DC 20008

Emmitt Carlton, Secretary Issue Dynamics Inc. 901 15th Street, N.W. Suite 230 Washington, DC 20036

Jay Halfon, Treasurer 215 88th Street #5E New York, NY 10024-2326

Everett Parker 11 Midland White Plains, NY 10606

Attachment 3

Issue Dynamics, Inc.
Company Description, Services, and Clients



Click Here To Sign Up For News

July 15, 2002 - July IDIdeas - A Newsletter from Issue Dynamics, Inc.

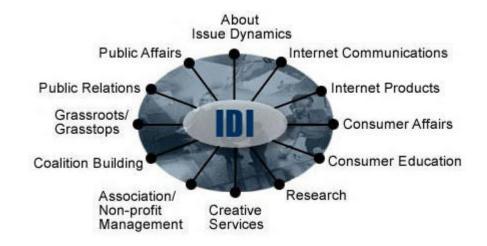
June 10, 2002 - Ken Deutsch to Keynote 'Public Affairs and Internet' Conference

April 05, 2002 - April IDIdeas - A Newsletter from Issue Dynamics

More News

Jobs at IDI

Igniting the power of strategic relationships



If you have already registered with us, please <u>sign in</u>. If this is your first visit to the IDI web site, please take a moment to <u>tell us about yourself</u>.

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Issue Dynamics Inc. (IDI), founded in 1986, is a leading Washington, D.C. based consulting firm specializing in public affairs and relationship-management services. IDI has figured out how to successfully merge and seamlessly integrate the relationship-building profession with the development of online tools. It has more than a decade of experience in developing issue campaigns for some of the nation's most respected organizations and corporations.

What makes IDI unique is our skill and ability to build relationships for our clients. We have been the leader in offering relationship management services for over fifteen years. It continues to be the driving force behind the professional and consulting services we offer our clients, and we made sure it was built into the award-winning Internet technology we sell.

No other company can match IDI's breadth and ability to merge traditional public affairs consulting with today's Internet based communications. We are the largest and most experienced company that offers both Internet based relationship management tools and professional services components together as one package.

Our experience is simply unmatchable.

We were among the first to help our clients "go online" by offering them electronic bulletin boards in the late 80's. In 1993, we were the company that launched the Internet's first corporate public affairs web site (Bell Atlantic), the first trade association issue campaign site (1993, Alliance for Competitive Communications), the first major political party committee and candidate Internet sites (1994, Democratic Senate Campaign Committee) and the first independent Congressional information site (1994, Congress.org). We developed the first user database driven grassroots web technology (1998, Grassroots Manager), the first Internet to phone gateway to Congress (1998, Washington Call Manager) and were the first to develop a wireless Internet grassroots tool (2000).

In a nutshell, no company can offer their clients better public affairs consulting, strategic Internet communication applications and over-all relationship management services. It is as simple as that.

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Issue Dynamics, Inc. knows the professional services it offers clients is only as good as the talent it has on staff. The below list of IDI Consultants have proven experience in working with our clients. If you are interested at working at IDI, please read our job opportunities.

Company Management

- Samuel A. Simon, Founder and President
- Ken Deutsch, Executive Vice President
- Sylvia Rosenthal, Senior Vice President
- Randy Ihara, Vice President of Public Affairs
- · Chandler Howell, Assistant Vice President
- · Bridget Gonzales, Assistant Vice President
- Ann Dominick, Chief of Finance and Administration
- · Phil Bender, Chief Technology Officer

Staff

- Carisa Allen, Administrative Assistant
- Eva Anderson, Executive Assistant
- Michelle Breckenridge, Accounting Manager
- · Guy Boodie, Web Designer
- · Kate Dean, Research Associate
- · Angie Douglas, Administrative Assistant
- Renee Dunn, Webmaster
- · Kenita Earl, Webmaster
- · Pat Engel, Senior Consultant
- · Scott Frein, Staff Associate
- Dirck A. Hargraves, Esq., Senior Consultant and Counsel
- Allen S. Hepner, Managing Senior Consultant
- · Violet Horsford, Senior Administrative Assistant
- Tomeka Jackson, Accounting Clerk
- Vanessa Johnson, Office Manager
- Tyrone Jones, Office Assistant
- · Julia Kim, Client Services Coordinator
- · Luca Mast, Senior Research Associate
- · Eleanor McVey, Administrative Assistant
- Seth Merritt, Consultant
- Jennifer L. Nordheimer, Esq., Senior Consultant
- Michael Panetta, Consultant
- Bruce Popka, Creative Director
- Mark Reilly, Product Manager
- Shelletta Robertson, Administrative Assistan/Receptionist
- Joshua Rosenberg, Consultant
- Renee Shaffer, Administrative Assistant
- · Hilary Shore, Technical Director
- Gene Smith, Consultant
- Robert Solomon, Junior Programmer
- Kirsten Suhr, Senior Client Services Coordinator

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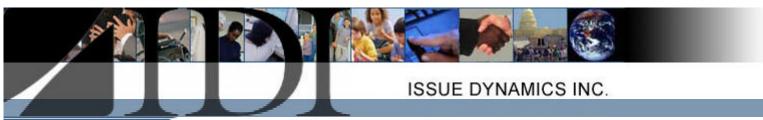
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- Jett Surak, Senior Webmaster
 Kellie Terry, Director of Client Services
 Shaun Wiggins, Consultant

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Representative list of past and present IDI clients.

Alliance for Consumer Rights

Alliance for Public Technology

America Online

American Express

American Heart Association

American Social Health Association

American Strategies

American Telemedicine Association

Ameritech

Amnesty International USA

Associated Credit Bureaus

Association of America's Public Television Stations

Bank of America

Bell Atlantic

BellSouth

Bill Bradley for President

Blue Cross Blue Shield Association

Blue Cross Blue Shield of Georgia

Business Coalition for US-China Trade

California Teachers Association

CDR Associates

Center for Marine Conservation

Citizens Educational Foundation

Clear the Air

Coalition for Affordable Local and Long Distance Service (CALLS)

Communications and Policy Technology Network (CAPTN)

Corning

Crounse Malchow & Schlackman

Defenders of the Wildlife

Dontblowit.org

Edelman Interactive

Edison Electric Institute

Education and Libraries Networks Coalition (EdLiNC)

Emergency Committee on American Trade (ECAT)

endgridlock.org

Epilepsy Foundation of America

Fannie Mae

Fireman's Fund Insurance Co.

Fleishman-Hillard

George Washington School of Political Management

George Washington University - Virginia Campus

Georgia Early Learning Institute (GELI)

Greater Phoenix Chamber of Commerce

Greater Washington Board of Trade

GreenCar.org

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GTE

Gun Free Kids, a project of New Yorkers Against Gun Violence

Hewlett-Packard

Hispanic Association on Corporate Responsibility (HACR)

Human Rights Campaign

iAdvance

Inova Health System

International Campaign for Tibet

International Food Information Council (IFIC)

Internet Alliance

Internet Public Policy Network (IPPN)

Juno Advocacy Network

Kelsey-Hayes

Leadership Conference on Civil Rights (LCCR)

M&R Strategic Services

Mark Warner 2001

Metricom

NAACP

National Association of Realtors

National Association of the Deaf

National Biosolids Partnership

National Center for Tobacco Free Kids

National Community for Latino Leadership

National Consulting Strategies

National Council of La Raza

National Environmental Trust

National Latino Telecommunications Task Force

New Millennium Research Council

New York State Democratic Party

Novartis

Open Access

Optimum Public Relations

Organizations Concerned About Rural Education

Ozone Action Corporation

Pacific Bell

Pacific Gas & Electric

Personal Communications Industry Assoc.

Public Affairs Council

Qualcomm

Qwest

Repeal the Tax on Talking

Salestar

San Francisco Giants

SBC Communications

Southern Environmental Law Center

Sprint

Techrocks

Telecommunications Research & Action Center

Teligent, Inc.

The Global Telemedicine Group

The Justice Project

The NOAH Group

The TransAfrica Forum

The US Internet Industry Association (USIIA)

United States Telecom Association (USTA)

U.S. West

Verizon

Verizon Wireless

Virginia Center for Innovative Technology

Virginia Secretary of Technology

Virginia Power

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If you'd like to receive news and information from IDI by email, please take a moment to tell us how to contact you.

July IDIdeas - A Newsletter from Issue Dynamics, Inc.

Issue Dynamics, Inc.'s July Newsletter "IDIdeas" July 15, 2002

Ken Deutsch to Keynote 'Public Affairs and Internet' Conference

Executive Vice President Ken Deutsch will be the Keynote Speaker at the Public Affairs Council's "Public Affairs and Internet" Conference on Thursday, June 13, 2002, at the Holiday Inn Old Town in Alexandria, Virginia.

June 10, 2002

April IDIdeas - A Newsletter from Issue Dynamics

Issue Dynamics, Inc.'s April Newsletter "IDIdeas" (Flash based newsletter). *April 05, 2002*

Issue Dynamics, Inc. Names Public Affairs Veteran to Senior Management Team

Issue Dynamics, Inc. announced today the appointment of Randy Ihara as Vice President of IDI's Public Affairs division.

February 11, 2002

Grassroots Enterprise and Issue Dynamics Launch New Crisis Preparation System

Grassroots Enterprise, Inc. and Issue Dynamics, Inc. announce new technology and service bundle which allows organizations to proactively prepare for a crisis December 12. 2001

Free Crisis Management Seminar

On December 11th, join former White House press secretary Mike McCurry and other expert communication strategists for a free seminar on how companies and interest groups can best prepare for potential crises

November 29, 2001

November IDIdeas - A Newsletter from Issue Dynamics

November 19, 2001

IDI Expands Corporate Grassroots Practice

IDI hires Brian Wild as Director of Grassroots Services and Campaigns and announces other staffing additions.

August 23, 2001

July IDIdeas - A Newsletter from Issue Dynamics

July 16, 2001

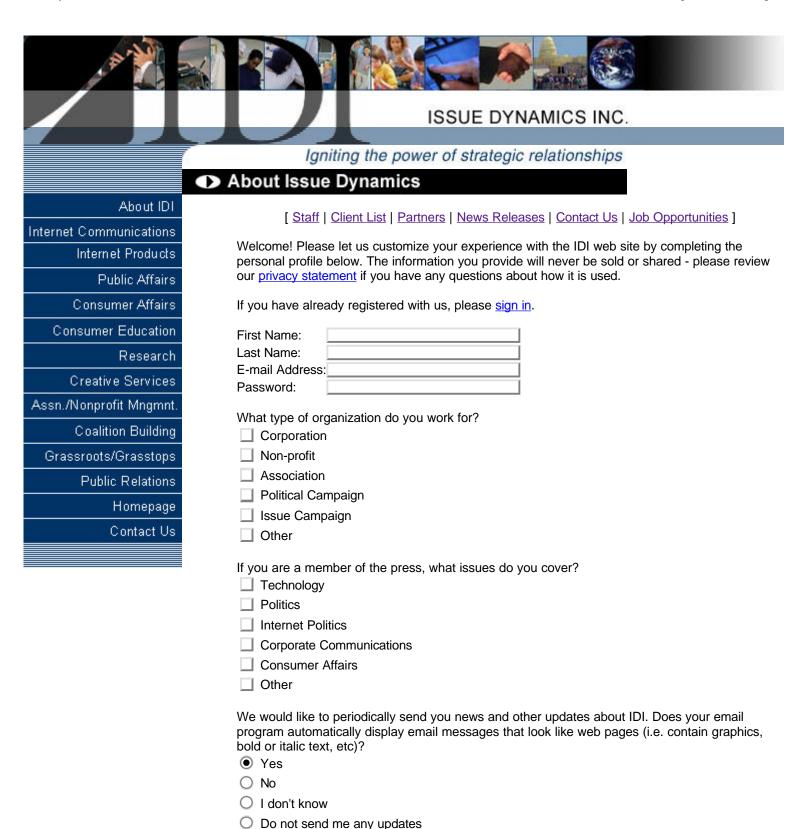
May IDIdeas - A Newsletter from Issue Dynamics

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May 30, 2001

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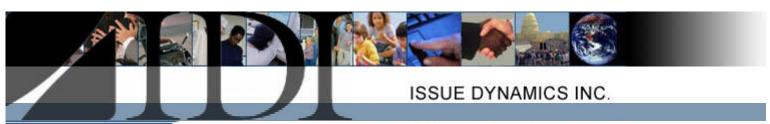
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How did you hear about Issue Dynamics, Inc?

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If it involves the Internet, chances are that Issue Dynamics knows about it and has investigated how to use it for our clients. That is because we have been specializing in online communications since before there was a World Wide Web. And we are comfortable saying that no other organization knows more about using the Internet for public affairs, government and media relations than us.

In the early days of the Internet, Issue Dynamics was the first to launch a media relations web site on the Web. We were first to launch a major corporate public policy site and the first to use the Internet to affect public policy issues. IDI's current line of proprietary Internet products have won multiple awards and has been used by Fortune 50 corporations, political parties, national associations, law firms, federal agencies, public policy groups and non-profit organizations.

What truly makes IDI's Internet consulting different is the staff's ability in developing and implementing strategies. Our account managers and consultants are activists who also know how to use technology... not the other way around.

Our unique combination of public affairs experience, Internet programming, creative Internet site design, and technical skills makes IDI that rare organization. We provide all the services necessary to create an Internet campaign that impacts the right audiences with the right messages and achieves the established goals.

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∠IDI Solutions GRASSROOTS MANAGER™

IMPACT CONGRESS WITH PHONE CALLS, **FAXES, AND EMAILS IN MINUTES**

An important House Bill is being marked up in committee. At the last moment, an amendment that your organization opposes is added. You need to respond. You could try setting up a telephone bank to make calls, but that would take time and would be a budget-buster.

There is a better way - IDI Solutions Grassroots ManagerSM. Using your desktop computer and the Internet, you rapidly send Action Alerts to thousands of your supporters, directing a flood of phone calls, faxes or email to targeted legislators. You review the real-time reports on who made contact with which House members, when they took action, and what they said. Then you arm your lobbyists with this information as they visit the Hill.

Twenty-four hours later, the vote goes in your favor. Chalk up a victory for you...with a little help from Grassroots Manager, a powerful new Internet tool from IDI, the leader in public affairs Internet solutions.

Four Simple Reasons

- · Grow your grassoots database by registering and tracking the actions of supporters. Identify your most active supporters and your "weak spots."
- Mobilize response as fast as possible. Grassroots Manager integrates email, fax and long-distance telephone service with your web site, putting you in touch with supporters almost instantly. Your web site becomes an interactive communications center by delivering Action Alerts to users' email accounts.
- Save money over telephone bank operations. There is no need to pay for extra telephone lines and equipment or people to make the calls. Internet-based communication costs less and records results more accurately. Grassroots Manager uses IDI Solutions Washington Call ManagerSM, an Internet-to-phone-and-fax gateway, which allows your supporters to impact Congress.
- Automatically generate HTML. Simply "copy-and-paste" your documents into Grassroots Manager's convenient templates, which saves you time and hassle.

How it Works

Grassroots Manager operates with Capitol Advantage's CapitolWiz and IDI Solutions Washington Call ManagerSM. CapitolWiz helps users communicate effectively with Capitol Hill by providing updated Congressional directory information, district zipcode matching, member

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information, and selected recent votes. Washington Call Manager provides an Internet gateway to phone calls and faxes right from your web site.

Action Alerts are high priority communications sent by you to registered users. Grassroots Manager makes it easy to:

- Add, modify, delete, categorize, and prioritize Action Alerts through an easy-to-use administration page.
- Mark Action Alerts as viewable only to users based on security levels.
- Email Action Alerts to users based on their interests, Congressional districts and by the number of previous alerts the user has acted on.
- Choose from four Action Alert types: email, phone, fax, and off-line.
- · Facilitate phone calls and faxes that connect users to Congress.

Grassroots Manager also has reporting features that help you analyze the results of your online grassroots communications efforts. You can:

- · Generate reports that track user participation by district/Action Alert and past action.
- Identify who your most active users are and what issues motivate them.
- Import and export data from existing grassroots management systems.

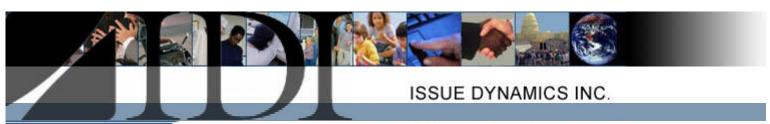
Users benefit from the power of Grassroots Manager, too. They can:

- · Stay informed about important issues without visiting your web site.
- · View only those Action Alerts that match their interests or region.
- Save time communicating with members of Congress because you provide sample letters or talking points they can use as is or modify.

DI Solutions **Grassroots Manager**SM is built on flexible technology that can be used with any existing database or as a stand-alone turnkey product. Grassroots Manager integrates the speed of email with the proven effectiveness of phone calls and faxes to impact Congress - all from your web site. Grassroots Manager is the single solution for your organization's grassroots mobilization needs.

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IDI offers a range of services that give our clients the edge in achieving their business and public policy goals. Whether the need is to shape public opinion or influence public policy makers, IDI offers services unequaled by other firms in the field. We know how to shape issues and make them work for our clients.

The IDI team has extensive experience working on Capitol Hill and in state and local governments, in organizing grassroots and political campaigns, building coalitions and communities, managing associations and non-profits, launching public relations campaigns, developing strategic Internet communications and conducting strategic research.

IDI identifies emerging issues and develops competitive intelligence. Using this information, we identify and cultivate potential allies, and then develop strategies to define and shape issues through research, oversight, and advocacy.

IDI works with our clients on reputation management and image enhancement through special projects, affinity marketing, and cause marketing with strategic stakeholders. These projects give IDI's clients a competitive edge in the marketplace and in the public policy arena.

IDI represents our clients and their interests before legislative bodies, executive branch agencies, and the courts at all levels of government. We work with our clients' strategic stakeholders to ensure that their voice is heard and that their clout is felt whenever and wherever decisions are being made.

IDI helps our clients shape the public policy agenda through their relationships with strategic stakeholders. Through consumer education, coalition building, grassroots campaigns, public relations, and consumer affairs projects, IDI helps our clients define the issues that are critical to their bottom line success.

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IDI helps our clients keep their "finger on the pulse" of their strategic stakeholders. By anticipating developments that affect their interests, our clients are better able to turn potential problems into opportunities to reach out to strategic stakeholders and develop "win-win" outcomes.

IDI's consumer affairs services also help our clients (1) anticipate developments affecting their industry, (2) understand how other companies manage their relationships with strategic stakeholders, and (3) develop and expand relationships with strategic stakeholders and win support for public affairs, legislative and marketing goals.

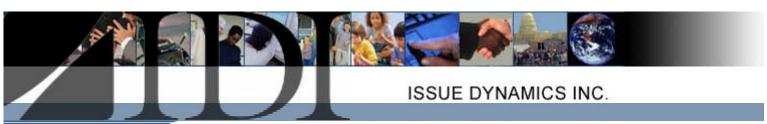
IDI provides regular reports and special updates to our clients on strategic stakeholder activity. These reports and updates include information on meetings, conferences and special events, internal organizational changes, legislative, regulatory and legal activities, coalition building and media events.

Most importantly, IDI identifies opportunities for our clients to understand and reach out to strategic stakeholders through:

- · Advice on strategic corporate giving
- Placement of senior executives on the boards of directors or special committees of key third party groups
- Strategies for leveraging policy decisions for maximum political benefit
- Identification of speaking and other opportunities for client representatives at events sponsored by strategic stakeholders
- Participation of strategic stakeholders on government advisory panels and industry sponsored panels
- Development of proactive consumer education initiatives with strategic stakeholders.
- Creation and management of consumer advisory panels

By effectively managing relationships with strategic stakeholders, IDI helps our clients develop the broadest possible support for their public policy and marketing goals.

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The IDI team includes national leaders in such areas as the Internet, consumer affairs, disability rights, civil rights, community organizing, education, economic development, research and telemedicine. IDI uses this talent and know-how to develop consumer education campaigns that promote our clients' business and public policy goals.

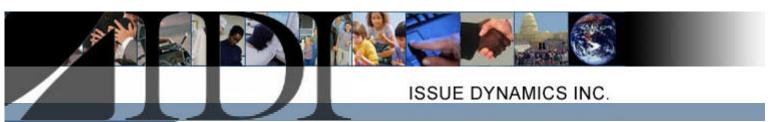
IDI-managed consumer education campaigns turn potential problems into opportunities. We help our clients identify trends and emerging issues that can affect their business or organization. Most importantly, IDI develops strategies to get out "ahead of the curve" and use consumer education initiatives to help our clients take advantage of these new developments.

IDI works with our clients to develop joint consumer education projects with their strategic stakeholders. Joint education projects can help consumers make sense of changes in the marketplace. And joint education projects lend credibility and bolster consumer confidence in the key messages and underlying themes. Members of IDI's team are also available to play a visible, high-profile role in consumer education projects.

IDI consumer education projects include survey research to identify issues, development of key messages and themes, preparation of consumer education materials, promotion through the media and other appropriate channels, and distribution through the us e of toll-free telephone numbers, public distribution centers, and the Internet.

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Issue Dynamics, Inc. - Research http://www.idi.net/research/



Igniting the power of strategic relationships

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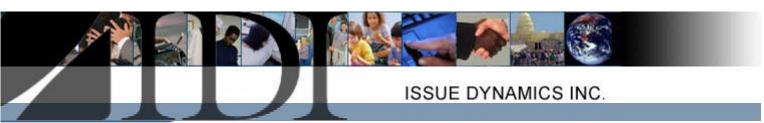
With an experienced staff in both the public and private sectors, IDI's research team provides clients with topical briefs, targeted policy research, and in-depth issue analysis. Subjects of IDI research projects include, but are not limited to, telecommunications, Internet, and technology policy issues such as education and telework.

In conjunction with its <u>Internet Monitoring Services</u>, IDI also provides clients with competitive intelligence.

IDI also provides clients with a network of policy experts who can provide content and services over a range of topics. These experts are also available as members of IDI's speakers bureau. An online technology policy e-zine featuring the writings of academics and other policy experts is under development as well.

IDI's customized research is fully supported by its Public Affairs Department. Not only do we conduct the research, but we utilize this information to meet clients' advocacy needs through other services, including media relations and Internet communications.

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In support of its other professional services, IDI provides a complete range of creative and graphic design services. This ensures that the communications materials and tools created for the client, accurately and effectively support the strategy and intent of the client's communication plan.

While much of IDI's creative focus is on Internet-based communications, IDI's design team also produces high-quality newsletters, brochures, direct mail cards, and other print materials, multimedia CD-ROMs and laptop presentations, exhibit graphics and other marketing communications tools.

In the area of Internet communications, IDI's creative design services designs new web sites from the ground up, and redesigns existing sites to improve their appearance, strengthen their brand identity, streamline their

navigation, and improve their load time and overall usability.



In addition to web site design, IDI creates online advertising, including standard banner ads, popup window ads, and "rich media" (audio and video) ads and emails that can be used for "viral marketing" and other online promotional campaigns.

Whatever the creative requirements of a project may be, IDI's writers and designers have the creative edge and the technological skills to make the project a success.

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Association/Nonprofit Management

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With over three decades of hands-on experience running associations and not-for-profit organizations, Issue Dynamics Inc. offers clients a comprehensive package of services for association and not-for-profit management, including:

- Database management
- · Membership recruitment
- · Direct mail
- Production of newsletters, press releases, annual reports and other publications
- · Coordination of national conferences, seminars and workshops
- · Advisory committee management
- · Legal representation and lobbying
- Internet services (see Strategic Internet Communications)

IDI currently provides complete management services for:

- Alliance for Public Technology (APT)
- Telecommunications Research and Action Center (TRAC)

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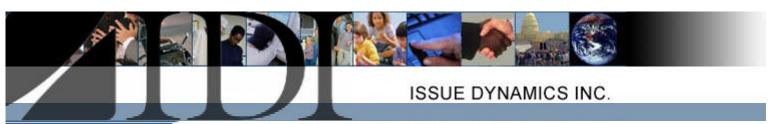
IDI frequently recommends that our clients work in formal coalitions with other strategic stakeholders, companies and trade associations. IDI manages such client/strategic stakeholder coalitions to ensure consistency of message and coordination of industry and strategic stakeholder activities. With IDI's support, our clients and their strategic stakeholders support a common agenda.

IDI-managed industry/strategic stakeholder coalitions can respond quickly to emerging issues and developments on behalf of its members. IDI keeps all coalition members updated, informed and involved.

Coalition members are often called upon to support the activities of the coalition by:

- Participating in planning sessions
- Attending press conferences
- Visiting elected officials
- · Writing letters to public officials
- Testifying before public bodies
- · Submitting written testimony for hearings
- Authoring op-ed articles and letters-to-the editor
- Participating in advertising campaigns
- Organizing and mobilizing their organizations' membership

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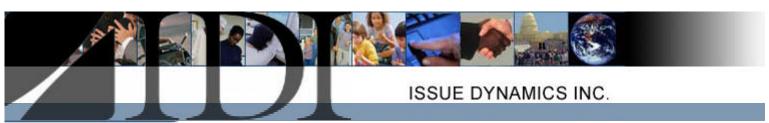
What is the goal of your grassroots / grasstops campaign? Is it to have immediate, short term results focused on a specific issue... or are you building relationships and forming an "army" that would be ready at a moment's call? At IDI, we know how to build and leverage grassroots mobilization and grasstops contacts... and we know how to do it the right way. We know that successful campaigns build "1-to-1-to-1 relationships" between your organization and your supporters, and between your supporters and their elected officials.

While no two grassroots campaigns are the same, IDI knows that the most successful grassroots efforts are the ones that integrate both online and offline elements. They can be ever-green campaigns that include field canvassing, field events, road-shows and tours, videotapes, public speaking, third party organizing, mdeia relations, and much more. This is but a short list of possible elements.

The bottom line is that successful grassroots / grasstops campaigns ensure that participants understand the underlying issue and are comfortable with getting involved. We work to keep our clients' supporters informed on the issue with regular updates and briefings. And we never put our clients' grassroots supporters' names on a letter, petition or advertisement, or share their names with other groups, without their informed consent.

IDI's staff includes several of the nation's premier grassroots organizers. We also have a network of grassroots managers across the country that is available on a project-by-project basis. IDI supervises their time and talents to keep costs low and results high.

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IDI has a great deal of experience in managing public relations. Our online Media Relations Management tools are the best available on the market today. But the best public relations strategies are the ones that integrate many aspects of communications.

Our clients look for more than message awareness - they want the public to fully understand their message, and for the public to agree with their point of view.

IDI is a leader in using the Internet for public relations. We are leaders in promoting our clients' views with third party stakeholders, and with integrating those stakeholders views into the overall public relations strategy. But this is not about simply getting third party stakeholders to mimic the "message points." We assist them in fully understanding and articulating complimentary messages in ways that are sure to garner media attention.

It's about "the power of the many." More voices, more power. IDI works individually with third party stakeholders and as members of coalitions to influence media coverage of an issue through:

- · News conferences.
- Preparation and release of studies, issue briefs, advocacy papers.
- · Voter surveys.
- Online Media Relations Management Tools.
- Drafting and placement of op-ed articles and advertorials.
- Letters-to-the-editor campaigns.
- · Editorial board meetings.
- · Design and placement of issue advertisements.
- "Off the record" issue briefings

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Attachment 4

VISA Statement Showing IDI Charge on Behalf of TRAC

Visit www.citicards.com



P. Commission of the Commissio	Your Account Number
Payment Must 8d Received By Your Total Balance Minimum Amount Due	Please Enter Amount 01 Payment Enclased
41158 PAH 00 12A0017 BR5011350	

LEE L SELWYN

Citi® Gold AAdvantage® Card

For Customer Service, call or write 1-888-766-CITI (2484)

Payment must be received by 1:00 pm local time on 02/27/2002

To report billing errors, write, to this address; calling will not preserve your rights.

BOX 6062 SIOUX FALLS, SD 57117

Statement/Closing Date Total Credit Line Available Credit Line

Cash Advance Limit

Available Cash Limit

New Balance

02/04/2002 Amount Over Credit Line Past Due Minimum Amount Due Sale Date Post Date Reference Number **Activity Since Last Statement** Amount 1/04 | MHY2*25G ISSUE DYNAMICS INC WASHINGTON 4.00

Attachment 5

Telecommunications and Research and Action Center

"15 Months After 271 Relief: A Study of Telephone Competition in New York"

15 Months After 271 Relief: A Study of Telephone Competition in New York

Prepared by The Telecommunications Action and Research Center (TRAC)

April 25, 2001

EXECUTIVE SUMMARY

This study examines the impact of local market competition fifteen months after Verizon's entry into New York State's long distance market. This study follows a previous TRAC study six months ago that found that increased competition reduced costs for consumers. As of the end of the first quarter in 2001, competition has resulted in 2.7 million customers switching away from Verizon local phone service and 1.7 million customers have switched to Verizon's long distance phone offerings.

This study concludes that residential customers will save up to \$284 million dollars a year after switching long distance companies, and up to \$416 million dollars a year after switching from Verizon to another local telephone company. Using conservative assumptions, this study predicts that the average consumer that changed long distance service saved up to \$13.94 a month, and the average customer saved up to \$12.83 a month by changing local service. Overall, phone competition will bring between \$84 to \$324 of savings a year for each New York phone customer.

INTRODUCTION

New York State is unique because there is a greater degree of local and long distance telephone competition than in other states. There are at least six companies providing local phone service and eight major long distance providers. Verizon, formerly Bell Atlantic, was strictly a provider of local service until the Federal Communications Commission (FCC) and New York State Public Service Commission approved their application to provide long distance in the state of New York in December 1999. Under Section 271 of the 1996 Telecommunications Act, Verizon needs to petition government agencies in each state in which they want to provide long distance service. The law says that Verizon should be allowed to provide long distance if there is sufficient competition in the local telephony market.

When competition in local and long distance telephone service rapidly expanded in New York, TRAC began producing two new publications. The first study was completed in December 1999 and it outlined consumer choices in New York City local phone service providers. The second, completed in June 2000, included Verizon's long distance plans offered to New York state consumers and compared them to the plans of existing carriers. In September 2000, the Telecommunications Research and Action Center (TRAC) wanted to determine how many New York consumers had actually taken advantage of this new opportunity to switch telephone carriers. At that time, approximately one million customers had switched their local phone service away from Verizon and another one million customers switched from local phone service.

This study updates the aforementioned reports because many more consumers have taken advantage of increased choice in telephone service providers. The findings of this study are based on published reports that over 1,700,000 customers have switched to Verizon long distance service as of the end of 2001's first quarter. TRAC has also discovered that approximately 2,700,000 consumers have switched from the predominant local carrier, Verizon, to AT&T, MCI Worldcom, RCN, MetTel, MCI, or Broadview Networks.¹

These publications were prepared by researching web sites of major phone companies.

Any information that could not be found on the websites was obtained by speaking with telephone company customer service representatives. TRAC confirmed this information with another, more senior company representative before the publication was printed.

TRAC divides callers into calling baskets based on the amount of their long distance usage and the time of day of usage. These are two of the most important factors in determining your long distance bill. Callers are divided into three categories: those who make most of their calls during the day, those who make most of their calls at night or on the weekends, and those whose calls are spread evenly over days, nights, and weekends. To be even more representative of consumer phone usage, TRAC factors in an assortment of directory assistance and calling card calls. TRAC uses these categories to analyze 18 types of calling patterns that describe most consumer calling habits. Consumers can

^{1.} Competitive telephone carriers actually have 3 million customers. TRAC assumes that 10% of these customers did not switch from Verizon.

easily decide which basket they fall into by looking at past bills and determining total minutes of long distance usage and number of long distance calls placed.

METHODOLOGY

The study examined the amount of consumer savings that were created by increased telephone competition. Since this study is based on published price rates and not actual customer bills, TRAC made every attempt possible to choose conservative assumptions for the study. Therefore, it is very likely that the results of this report actually underestimate the amount of consumer savings achieved in New York. We calculated the savings that are being achieved by the 2.7 million residential customers that have switched their local service away from Verizon and the savings that are being achieved by the 1.7 million residential customers that switched to Verizon long distance service.

Long distance savings were determined by comparing Verizon's prices to those of other long distance companies. The savings were calculated for the 18 different calling baskets used by TRAC to evaluate long distance calling plans in its TeleTipsTM Residential Long Distance Comparison Chart, released in conjunction with this study. We calculated a range of possible consumer savings based on conservative assumptions regarding which calling plans the residential customers subscribed to before customers switched to Verizon for long distance service. Tables 1 and 2 includes a version of the Microsoft Excel document we used for these calculations

DIAGRAM 1:

Calculations for Total Consumer Savings for Average Daily Use and 6 calls a Month

High end of savings = (Number of consumers that fit this calling pattern)* {[(Highest Priced Competitor Plan) - (Lowest Priced Verizon Plan)]+ [(Lowest Priced Competitor Plan) - (Lowest Priced Verizon Plan)]]/2.5

or

\$604,633 = 141,667 + [(\$13.94-\$4.40)+(\$5.50-\$4.40)]/2.5

Low end of savings = (Number of consumers that fit this calling pattern)*{[(Lowest Priced AT&T Plan) - (Lowest Priced Verizon Plan)]+ [(Lowest Priced MCI Plan) - (Lowest Priced Verizon Plan)]}/2

ÒI

\$-292,542 = 141,667 * [(\$5.43-\$7.49)+(\$5.50-\$7.49)]/2

Diagram 1 provides an example of how TRAC calculated long distance savings for individuals, using the calling basket that describes average daily users that make about 6 calls a month as an example. We first subtracted the lowest priced Verizon plan from the highest priced competitor's plan. In this case we subtracted \$7.49 from \$13.97 and found savings of \$9.57. The lowest priced Verizon plan was then subtracted from the lowest priced competitor's plan (\$5.50-\$4.40 = \$1.10). Basic rate plans were excluded because they were significantly higher than all other rates. TRAC assumed that these people are not likely to switch to Verizon². We then added these two figures together and divided the sum by 2.5 instead of 2. For average daily users making six calls a month this would mean adding \$9.57 and \$1.10 and dividing this sum by 2.5. This effectively created a weighted average savings of \$4.27 per consumer that underestimated the savings received

² Some consumers mistakenly assume that they are on the least expensive plan already by being on the "basic" plan.

by individuals by approximately 20%. The above-mentioned calculations were used to find the savings for an individual. TRAC then used its knowledge of the long distance market to calculate the total savings achieved by the one million consumers. From previous studies, TRAC estimated that approximately 25% of consumers make 6 calls a month, 25% make 12 calls a month, 20% make 18 calls a month, 15% make 36 calls a month, 10% make 60 calls a month, and 5% make 180 calls a month. These percentages correspond with TRAC's calling baskets. Based upon this distribution, TRAC calculated the savings per month for all 1.7 million consumers. For example, if there are 425,000 (25% of 1.7 million) consumers that make 6 calls a month, then TRAC estimated that 141,667 of these consumers have calling patterns that can be described as average daily use, 141,667 have patterns that are considered heavy daily use, and 141,667 have calling patterns that are characterized by heavy night and weekend use. Therefore, we multiplied an individual's savings of \$4.27 by 141,667 to realize a savings of \$604,633 each month for all consumers that switched to Verizon long distance, make 6 calls a month, and have average daily use.

We then calculated the low-end of potential savings. TRAC assumed that consumers would switch to Verizon even if all residential customers were already using the best available discounted plans before Verizon had entered the market. We calculated the potential savings for each calling basket if a consumer switched from the lowest priced AT&T plan to the lowest priced Verizon plan and the savings if a consumer switched from the lowest priced MCI plan to the lowest priced Verizon plan. In the case of consumers that make 6 calls a month and have average daily usage, consumers actually

lost \$2.06 when switching to Verizon from AT&T (\$5.43-\$7.49 = \$-2.06) and lost \$2.05 when switching from MCI (\$5.42 - \$7.49 = \$-2.05). For the purposes of this study, we averaged the savings of these MCI and AT&T switchers and considered this the low end of possible consumer savings. For the aforementioned set of consumers that means that TRAC added \$-2.05 plus \$-2.06 and divided by two to find a low end of savings of \$-2.055. Just as we did with the high end of savings, TRAC distributed the savings among 2.7 consumers based on the above distribution. Thus, in one-month consumers that had average daily use and made 6 calls actually lost \$292,542.

Adding the savings for each calling basket and then multiplying this figure by twelve months determined annual consumer savings. So, the total high end of annual savings for consumers making 6 calls a month and having average daily use is \$7,255,600 (\$604,633*12). The low end of savings is \$-3,510,500. Using this methodology, we were able to determine the range of savings for all consumers resulting from Verizon's entry into the long distance market.

We used a similar approach in calculating the savings achieved when consumers switched to a Verizon competitor for local telephone service. Table 3 includes the Microsoft Excel document we used to calculate these results. Results were based on figures included in TRAC's TeleTipsTM New York City Residential Local Service Comparison Chart. Twelve local calling baskets are analyzed by TRAC. These calling baskets included a mix of local calls, local toll calls, and extra services such as Call Waiting, Voice Mail, and *69. The basket's pricing took into account universal service

charges and other fees automatically assessed to local phone bills. In this study we subtracted the lowest priced competitor's plan from the highest priced Verizon plan to determine the high-end of potential savings. We then subtracted the lowest priced competitor's plan from the lowest priced Verizon plan to determine the low-end of potential savings. An average was used for each of the 12 calling baskets.

Adding the savings for each calling basket and then multiplying this figure by twelve months determined annual consumer savings. As a result, we were able to determine the range of savings resulting from the entry of new companies in the local telephone service market.

RESULTS

The low end of consumer savings achieved by Verizon's entry into long distance was \$79,022,800 and the high end was \$283,663,440. An average consumer that switched to Verizon for long distance service will save between \$3.67 and \$13.94 a month. Alternatively, the average consumer will save between \$44 and \$167 a year.

The total savings from New York consumers switching local telephone service ranged between \$118,442,000 and \$415,665,000. An average consumer that switched to a competitive provider for local service will save between \$3.36 and \$12.83 a month. In other words, the average customer will save between \$40 and \$154 a year.

Chart 1 demonstrates the range of savings achieved monthly by the 1,700,000 consumers that switched to Verizon long distance. The figures for "Savings Achieved by Switching from the Industry Average" are our estimates for the high-end of possible savings and the figures for "Savings Achieved by Switching from the Lowest AT&T and MCI Plans" are the estimates for the low-end of possible savings. Chart 2 shows that all consumers save by switching from Verizon to another local carrier, even if they were already on the lowest priced Verizon plan.

Compared to TRAC's previous study in September, this report finds that consumer savings have increased over the last six months. While consumers were saving between \$112 million to \$217 million, this study's annual consumers savings were estimated to be between \$197 million and \$700 million. Breaking these results down further, TRAC has found that consumer savings have increased between 76% to 223% since the last study. TRAC's high-end estimates of monthly consumer savings also increased 48% in the last six months. Only our low-end monthly estimates decreased – a 25% decrease compared to TRAC's previous study.

CONCLUSION

Competition and choice in the local and long distance telephone markets brings consumer benefits. As this report demonstrates, phone competition has brought up to \$700 million of savings to New York consumers. It is TRAC's hope that this report will highlight the

benefits of phone competition to telecommunications industry, consumers and the government.

The New York analysis raises the logical question of what the savings to consumers could be nationwide if the same competition that has developed in New York were to be available elsewhere. New York, of course, is a gigantic market, and to some degree possibly the competitive market in the country. TRAC believes that the pace at which competition is being introduced around the country is costing consumers savings in the billions of dollars. The time has come to move the process of increased long distance and local competition ahead at a more rapid rate. TRAC is in the process of undertaking an analysis of the lost consumer savings that has resulted from the slow rate of competition in the local and long distance markets.

TABLE 1: Calculations for High End Estimate of Long Distance Savings

Basket 1		Pian Price	Number of Consumers In Basket		Savings * Number of Consumers in Basket	+ L	([Greatest Savings) + Lowest Savings) (Number of Consumers in Basket)]/2.5	
Highest priced competitor	\$	13.97						
Lowest priced competitor	\$	5.50						
Lowest priced Verlzon	\$	4.40						
Greatest Savings (Highest priced competitor –				~~~				
Lowest priced Verizon) Lowest Savings (Lowest	\$	9.57	141667	\$	1,355,750.00	\$	604,633.33	
priced competitor - Lowest priced Verizon)	\$	1.10	141667	\$	155,833.33			
Basket 2								
Highest priced competitor	\$	31.53						
Lowest priced competitor	<u> </u>	13.02						
Lowest priced Verizon	\$	13.64						
Greatest Savings (Highest								
priced competitor - Lowest								
priced competitor)	\$	17.89	141687	\$	2,534,416.67	\$	978,633.33	
Lowest Savings (Lowest priced competitor – Lowest								
priced Verizon)	\$	(0.62)	141667	\$	(87,833.33)			
Basket 3								
Highest priced competitor	\$	49.70	-	•				
Lowest priced competitor	\$	19.98						
Lowest priced Verizon	\$	20.62						
Greatest Savings (Highest priced competitor – Lowest						~		
priced competitor)	\$_	29.08	113333		3,295,733.33	\$	1,289,280.00	
Lowest Savings (Lowest priced competitor - Lowest								
priced Verizon)	\$	(0.64)	113333	\$	(72,533.33)			
Basket 4								
Highest priced competitor	\$	90.91						
Lowest priced competitor	\$	35,41						
Lowest priced Verizon	\$	36.38						
Greatest Savings (Highest priced competitor – Lowest								
priced competitor)	\$	54.53	85000	\$	4,635,050.00	\$	1,821,040.00	

Lowest Savings (Lowest							
priced competitor Lowest							
priced Verlzon)	\$	(0.97)	85000	\$	(82,450.00)		
Basket 5							
Highest priced competitor	\$	115.38					
Lowest priced competitor	-\$	53.22					
Lowest priced Verizon	- 3						
COMPSE PITOSO PORIZOR		53.75					
Greatest Savings (Highest							
priced competitor - Lowest							
priced competitor)	\$	61.63	56666.7	\$	3,492,366.67	\$ 1,384,93	13.33
Lowest Savings (Lowest priced competitor - Lowest							
priced Verizon)	\$	(0.53)	56666.7	\$	(30,033,33)		
	_ _	(0.00)	00000.7		(30,033,33)		
Basket 6							
		600.40					
Highest priced competitor	\$	309.48					
Lowest priced competitor	<u>\$</u>	115.57					
Lowest priced Verizon	\$	120.91					
Greatest Savings (Highest							
priced competitor - Lowest							
priced competitor)	\$	188.57	28333.3	\$	5,342,816.67	\$ 2,076,600	6.67
Lowest Savings (Lowest							ستنت
priced competitor - Lowest	_	15 5 4		_			
priced Verizon)	\$	(5.34)	28333.3	\$	(151,300.00)		
Basket 7							
Highest priced competitor	\$	13.43					
Lowest priced competitor	\$	5.50				····	
Lowest priced Verizon	<u> </u>	3.00					
cowest priced verizon	3	3.00					
Greatest Savings (Highest							
priced competitor - Lowest	_						
priced competitor) Lowest Savings (Lowest	\$	2.50	141667	<u> </u>	354,168.67	\$ 732,700	0.00
priced competitor - Lowest							
priced Verizon)	\$	10.43	141667	\$	1,477,583.33		
3asket 8							
lighest priced competitor	\$	28.34					
owest priced competitor	\$	11.33					
owest priced Verizon	\$	12.12					
Greatest Savings (Highest priced competitor – Lowest							
priced competitor)	\$	16.22	141887	\$	2.297,833.33	\$ 874,368	3.67
							
owest Savings (Lowest priced competitor – Lowest		(0.79)	141667	\$	(111,916.67)		

priced Verizon)	· · · · · · · · · · · · · · · · · · ·						
Basket 9							
Highest priced competitor	\$	42.00					
Lowest priced competitor		43.93			· · · · · · · · · · · · · · · · · · ·		
	\$	17.69					
Lowest priced Verizon	\$	18.44					
Greatest Savings (Highest	~~~~						
priced competitor - Lowest							
priced competitor) Lowest Savings (Lowest	_\$	25.49	113333	\$	2,888,866.67	\$	1,121,548.67
priced competitor - Lowest							
priced Verizon)	\$	(0.75)	113333	\$	(85,000.00)		
Basket 10							
Highest priced competitor	\$	80.36					
Lowest priced competitor	\$	31.21					
Lowest priced Verizon	\$	34.48					
Greatest Savings (Highest							
priced competitor - Lowest							
priced competitor)	\$	45.88	85000		A 800 500 00	_	
Lowest Savings (Lowest		40.00	85000		3,899,800.00	\$	1,448,740.00
priced competitor - Lowest							
priced Vertzon)	\$	(3.27)	85000	\$	(277,950.00)		
					(277,000.00)		· · · · · · · · · · · · · · · · · · ·
Basket 11						•	
Highest priced competitor	\$	124.88					
Lowest priced competitor	\$						
Lowest priced Verizon		46.22					
LOWEST PRICED VENZON	_\$	51.26					
Greatest Savings (Highest	•						
priced competitor - Lowest	_						
priced competitor) Lowest Savings (Lowest	\$	73 62	56666.7	\$	4,171,800.00	\$	1,554,480.00
priced competitor - Lowest							
priced Verizon)	5	/E 04\	ECCCC 7				
	<u> </u>	(5.04)	56666.7	\$	(285,600.00)		
Basket 12							
Highest priced competitor		202.22					
	\$	297.08					
Lowest priced competitor	\$	106.49					
Lowest priced Verizon	\$	110.94					
Greatest Savings (Highest							**************************************
oriced competitor - Lowest							
oriced competitor)	\$	186.14	28333.3	\$	5,273,986.67	\$	2,059,153.33
owest Savings (Lowest				-			
priced competitor - Lowest priced Verizon)	\$	(4.45)	28333.3	\$	(126,083.33)		
				<u></u>	(120,000.00)		

Basket 13							
Highest priced competitor	\$	14,52					
Lowest priced competitor	\$	5.50					
Lowest priced Verizon	\$	4.43					
Greatest Savings (Highest							
priced competitor - Lowest							
priced competitor)	S	10.09	141667	\$	1,429,416.67	5	632,400.00
Lowest Savings (Lowest						_ <u>`</u> _	
priced competitor - Lowest	_			_			
priced Verizon)	\$	1.07	141667	\$	151,583.33		
Basket 14	•						
Highest priced competitor	\$	26.36					
Lowest priced competitor	Š	10.36					
Lowest priced Verizon	\$	11.03					
			· · · · · · · · · · · · · · · · · · ·				
Greatest Savings (Highest							
priced competitor - Lowest priced competitor)	\$	45.00	444559	•	A 474 750 50		202 202 55
Lowest Savings (Lowest	2	15.33	141667	\$	2,171,750.00	\$	830,733.33
priced competitor - Lowest							
priced Verizon)	\$	(0.67)	141667	\$	(94,916.67)		
					(51,010.51)		
Basket 15							
Highest priced competitor	\$	47.03					
Lowest priced competitor	\$	17.68					
Lowest priced Verizon	\$	21.11					
Greatest Savings (Highest		-					
priced competitor - Lowest							
priced competitor)	\$	25.92	113333	\$	2,937,600.00	\$	1,018,640.00
Lowest Savings (Lowest				<u>Y</u>	2,007,000.00	 _	-,0,0,0,0,0
priced competitor - Lowest	_						
priced Verizon)	\$	(3 45)	113333	<u> </u>	(391,000.00)		
Basket 16							
Highest priced competitor	\$	86.23					
Lowest priced competitor	\$	35.78	· · · · · · · · · · · · · · · · · · ·				
Lowest priced Verizon	\$	38.16					
v.prvva vv14441							
Greatest Savings (Highest			· · · · · · · · · · · · · · · · · · ·				
priced competitor - Lowest							
oriced competitor)	\$	48.07	85000	\$	4,085,950.00	\$	1,553,460.00
Lowest Savings (Lowest							
priced competitor - Lowest priced Verlzon)	\$	(2.38)	85000	\$	(202,300.00)		

Basket 17							
Highest priced competitor	\$	133,49					
Lowast priced competitor	\$	55.55					
Lowest priced Verizon	\$	57.35					
Greatest Savings (Highest priced competitor – Lowest							
priced competitor)	<u> </u>	76.14	56666.7	\$	4,314,600.00	\$	1,685,040.00
Lowest Savings (Lowest priced competitor – Lowest							
priced Verizon)	\$	(1.80)	56666.7	\$	(102,000.00)		
Basket 18							
Highest priced competitor	\$	349.37					
Lowest priced competitor	\$	101.27					
Lowest priced Verizon	\$	138.42					
Greatest Savings (Highest priced competitor – Lowest							
priced competitor)	<u> </u>	210.95	28333.3	\$\$	5,976,916.67	\$	1,969,733.33
Lowest Savings (Lowest priced competitor - Lowest							
priced Verizon)	\$	(37.15)	28333.3	\$	(1,052,583.33)		
HIGH END OF SAVINGS (Sum of Greatest Savings)	<u> </u>	60,458,800.00		{Sum of	MONTHLY SAVINGS [Greatest Savings +	_	72 628 420 00
LOW END OF SAVINGS (Sum of Lowest Savings)	<u> </u>	(1,368,500.00)		ANNU	est Savings)/2.5)]} JAL SAVINGS (Avg thly savings * 12)	\$ \$:	23,636,120.00 283,633,440.00

TABLE 2: Calculations for Low End Estimate of Long Distance Savings

Pia	n Price		s		Sav	ngs from AT&T ings from MCi)* Number of onsumers]/2
\$	5.43					
\$	5.42					
\$	7.49		····			
	(0.00)					
	(2.06)	141667	<u> </u>	(291,833.33)	\$	(292,541.67)
\$	(2.07)	141667	\$	(293,250.00)		
	\$ \$ \$	\$ 5.42 \$ 7.49 \$ (2.06)	Consumers in Basket \$ 5.43 \$ 5.42 \$ 7.49 \$ (2.06) 141667	\$ 5.43 \$ 5.42 \$ 7.49 \$ (2.06) 141567 \$	Consumers Savings * Number of Consumers in Basket	Number of Consumers Savings * Number of Consumers Savings * Number of Savings * Number of Consumers in Basket Consumers in Bas

Basket 2							
				 			
Lowest AT&T	\$	18.74					
Lowest MCI		22.68					
Lowest priced Vertzon		17.33					~~~~~
	<u>~</u>						
Savings From AT&T (Lowest							
AT&T - Lowest Verizon)	\$	1.41	141667	\$	199,750.00	\$	478,833.33
Savings From AT&T (Lowest						·	
MCI - Lowest Verizon)	\$	5.35	141667	\$	757,916.67		
Basket 3							
Lowest AT&T	S	26.12					
Lowest MCI		34.45					
Lowest priced Verizon	\$					 -	
		20.00					
Savings From AT&T (Lowest							
AT&T - Lowest Verizon)	\$	0.12	113333	\$	13,600.00	\$	485,633.33
Savings From AT&T (Lowest							
MCI - Lowest Verizon)	\$	8.45	113333	\$	957,666.67		
Basket 4							
Lowest AT&T	\$	42.66					
Lowest MCI		54.00					
Lowest priced Verizon		41.30		· · · · · · · · · · · · · · · · · · ·			
			·	~		~~~~	
Savings From AT&T (Lowest		,					
AT&T - Lowest Verizon)	\$	1.35	85000	\$	115,600.00	\$	597,550.00
Savings From AT&T (Lowest				<u></u>			,
MCI – Lowest Verizon)	\$	12.70	85000	\$	1,079,500.00		
Basket 5							
Lowest AT&T	s	63.45					
Lowest MCI		78.38					
Lowest priced Verizon		60.20					
Savings From AT&T (Lowest		0.00		_			
AT&T - Lowest Verizon)	<u> </u>	3.25	56667	\$	184,166.67	<u>\$</u>	607,183.33
Savings From AT&T (Lowest MCi – Lowest Verizon)	s	18.18	56867	\$	1,030,200.00		
	<u>~</u> _	10.10	00001		1,000,200.00		
Basket 6							
Lowest AT&T	<u>s</u> .	151.39					
Lowest MCI		146.49					
Lowest priced Verlzon		134.79					
The process of the pr	Ψ.		16				

							
Savings From AT&T (Lowest							
AT&T - Lowest Verizon)	\$	16.60	28333	\$	470,333.33	\$	400,916.67
Savings From AT&T (Lowest						····	
MCI - Lowest Verizon)	\$	11.70	28333	\$	331,500.00		
Basket 7							
Lowest AT&T	\$						~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Lowest MCI	\$		~				
Lowest priced Verizon	\$	6.43					
Savings From AT&T (Lowest	·						
AT&T - Lowest Verizon)	\$	(1.00)	141667	\$	(141,666.67)	\$	_(142,375.00)
Savings From AT&T (Lowest	_						
MCI - Lowest Verizon)	\$	(1.01)	141667	\$	(143,083.33)		
Basket 8							
Lowest AT&T	e	17.55					
Lowest MCI		21.79					
Lowest mci	\$		~~ ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	 			
rowest buren Asuxon		15.47					
Savings From AT&T (Lowest							
AT&T - Lowest Verizon)	\$	2.08	141667	\$	294,666.67	S	595,000.00
Savings From AT&T (Lowest						<u>-</u>	000,000.00
MCI - Lowest Verizon)	\$	5.32	141667	\$	895,333.33		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Basket 9							
Lowest AT&T	\$	23.51		 			
owest MCI		31.89					· · · · · · · · · · · · · · · · · · ·
Lowest priced Verizon		22.68					
To the business and the state of the state o		22.00					
Savings From AT&T (Lowest			~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~				
AT&T - Lowest Verizon)	\$	0.83	113333	<u> </u>	94,066.67	\$	568,933.33
Savings From AT&T (Lowest MCI – Lowest Verizon)	\$	9.21	440000	e	4 043 900 00		
LUMBOL FEHLUIL)	3	J.Z 1	113333	<u> </u>	1,043,800.00	-	
Basket 10							
owest AT&T	<u> </u>	38.10					
owest MCI		52.07					
owest priced Verizon		41.46					
Conset bused Asiroll		41.40					
Savings From AT&T (Lowest							
AT&T - Lowest Verizon)	\$	(3.36)	85000	\$	(285,600.00)	\$	308,125.00
Savings From AT&T (Lowest		1	03000		(200,000.00)		300, 125.00

Basket 11 Lowest AT&T							
							
							· · · · · · · · · · · · · · · · · · ·
4 1/6/	\$	56.18					
Lowest MCI	\$	73.68					\
Lowest priced Verizon	\$	61.51	_				· · · · · · · · · · · · · · · · · · ·
Savings From AT&T (Lowest				_			
AT&T - Lowest Verizon)	\$_	(5.33)	56667	\$	(302,033.33)	\$	193,800.00
Savings From AT&T (Lowest MCI – Lowest Verizon)	e	12.17	E0003		600 600 00		
Lowest Verizon)		12.17	56667	\$	689,633.33		
Basket 12			***************************************				
Owest AT&T		127,61		·			
Lowest MCI		126.78					
owest priced Verlzon		136.06					
							
Savings From AT&T (Lowest		~~~					
AT&T - Lowest Verizon)	\$	(8.45)	28333	\$	(239,416 67)	\$	(251,175.00)
Savings From AT&T (Lowest	_			_			
MCI - Lowest Verizon)	\$	(9.28)	28333	\$	(262,933.33)		
Basket 13							
owest AT&T	\$	5.43					
owest MCI	\$	5.42		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
owest priced Vertzon	\$	8.54					
Savings From AT&T (Lowest AT&T - Lowest Verlzon)	_	40.441		_		_	
Savings From AT&T (Lowest	\$	(3.11)	141657		(440,583 33)	\$	(441,291.67)
ACI - Lowest Verizon)	\$	(3.12)	141667	\$	(442,000.00)		
			171001	<u> </u>	(
Basket 14							
owest AT&T	\$	17.73					
owest MCI	\$	18.05					
owest priced Verizon		17.49					
Savings From AT&T (Lowest		·					
T&T - Lowest Verizon)	5	0.24	141667	\$	34,000.00	\$`	56,666.67
avings From AT&T (Lowest					- -,000.00	-	00,000,01
MCI - Lowest Verizon)	\$	0.56	141667	\$	79,333.33		
Basket 15							
owest AT&T	<u> </u>	28.52					*

Lowest priced Verizon	\$ 27.20					*-*
Savings From AT&T (Lowest				455.000.00		
AT&T - Lowest Verizon)	\$ 1.42	113333	\$	160,933.33	\$	663,586.67
Savings From AT&T (Lowest	A 45.50		_			
MCI - Lowest Verizon)	\$ 10.29	113333	\$	1,166,200.00		
Basket 16						
Lowest AT&T	\$ 48.73					
Lowest MCI	\$ 60.13					
Lowest priced Verizon	\$ 42.48					
Savings From AT&T (Lowest						
AT&T - Lowest Verizon)	\$ 4.25	85000	\$	361,250.00	\$	930,750.00
Savings From AT&T (Lowest						
MCI - Lowest Verizon)	\$ 17.65	85000	\$	1,500,250.00		
Basket 17					· · · · · · · · · · · · · · · · · · ·	
Lowest AT&T	\$ 69.16					
Lowest MCI	\$ 82.87		 			
Lowest priced Verizon	\$ 59.41					
Savings From AT&T (Lowest			~~~~			
AT&T - Lowest Verizon)	\$ 9.75	56667	s	552,500.00	\$	940,950.00
Savings From AT&T (Lowest		5555.		000,000.00		040,000.00
MCI - Lowest Verizon)	\$ 23.46	56667	\$	1,329,400.00		
Basket 18						
Lowest AT&T	\$ 168.82					
Lowest MCI	\$ 158.95					
Lowest priced Verizon	\$ 132.66					
Savings From ATST/I award						
Savings From AT&T (Lowest AT&T – Lowest Verizon)	C 26 40	00000	•	4 004 500 00		004 700 00
Savings From AT&T (Lowest	\$ 36.16	28333	\$	1,024,533.33	\$	884,708.33
MCI – Lowest Verizon)	\$ 26.29	2022	•	744 000 00		
Edway Felikolij	Ψ 20.23	28333	\$	744,883.33		
Sum of Savings From AT&T	\$ 21,651,200.00	~~~~				
or outlings a roun Midd	21,001,200.00		Δv	eraged Savings		
				of Savings From		
	\$		T&TA	+ Sum of Savings		
Sum of Savings From MCI	135,394,400.00			From MCI)/ 2	\$ 7	9,022,800.00
	20,000,000				Ψ /	V, VEZ, COU.OU

TABLE 3: Calculations for Local Savings

	Plan Price	Number of Consumers in Basket	Savings * Number of Consumers in Basket	[(Greatest Savings) + Lowest Savings) - Number of Consumers in Basket]/2
Basket 1				
Highest priced Verizon	\$ 25.50			
Lowest priced Verizon	\$ 11.62			
Lowest priced competitor	\$ 10.50			
Greatest Savings (Highest priced				
Verizon – Lowest priced			\$	
competitor)	\$ 15.00	225000	3,375,000.00	\$ 1,813,500.00
Lowest Savings (Lowest priced				
Verizon – Lowest priced			\$	
competitor)	\$ 1.12	225000	252,000.00	
Basket 2	والمساورة والمراوية			
Highest priced Verlzon	\$ 31.00			
Lowest priced Verizon	\$ 24.75			
	\$ 20.23			
Lowest priced competitor	\$ 20.23			
Greatest Savings (Highest priced				
Verlzon - Lowest priced			\$	4 700 405 00
competitor)	\$ 10.77	225000	2,423,250.00	\$ 1,720,125.00
Lowest Savings (Lowest priced			•	
Verizon - Lowest priced	0 450		\$ 000.00	
competitor)	\$ 4.52	225000	1,017,000.00	
Basket 3				
Highest priced Verlzon	\$ 40.85			
Lowest priced Verlzon	\$ 34.63			
Lowest priced competitor	\$ 34.63			
Lowest priced competitor	\$ 31.18			
Greatest Savings (Highest priced			_	
Verizon - Lowest priced			\$	
competitor)	\$ 9.66	225000	2,173,500.00	\$ 1,473,750.00
Lowest Savings (Lowest priced			_	•
Verizon - Lowest priced			\$	
competitor)	\$ 3.44	225000	774,000.00	
Basket 4				
Highest priced Verizon	\$ 56.78			
Lowest priced Verizon	\$ 47.64			

Lowest priced competitor	#	41.59	· · · · · · · · · · · · · · · · · · ·			
Cowest priced competitor	*	41.58				
Greatest Savings (Highest priced						
Verizon - Lowest priced				\$		
competitor)	*	15.19	225000	3,417,750.00	s	2,389,500.00
Lowest Savings (Lowest priced	<u>~</u>	10.15	223000	0,477,700.00		2,000,000.00
Verizon – Lowest priced				\$		
competitor)	\$	6.05	225000	1,381,250.00		
						· · · · · · · · · · · · · · · · · · ·
					S	7,396,875.00
				· · · · · · · · · · · · · · · · · · · 		1,000,070.00
Basket 5		~				
Dasket 3						
11.1.		24.04				
Highest priced Verizon		31.24				
Lowest priced Verizon		11.94				
Lowest priced competitor	\$	10.91				
Greatest Savings (Highest priced						
Verizon - Lowest priced				\$	-	
competitor)		20.33	225000	4,574,250.00	<u>\$</u>	2,403,000.00
Lowest Savings (Lowest priced				_		
Verizon – Lowest priced		4.00	000000	\$ 024.750.00		
competitor)	<u> </u>	1.03	225000	231,750.00		
Parket C						
Basket 6	~					
Nickon and and and Mantage		04.04				
Highest priced Verlzon		31.24				
Lowest priced Verlzon		25.17				
Lowest priced competitor	\$	20.80				
Greatest Savings (Highest priced						
Verizon - Lowest priced		-		\$		
competitor)		10.44	225000	2,349,000.00	<u> </u>	1,666,125.00
Lowest Savings (Lowest priced				_		
Verizon – Lowest priced competitor)	•	4.57		\$		
Compensory		4.37	225000	983,250.00		
				· - · - · - · - · - · - · - · - · - · -		
Basket 7	~					
			····	·		
Highest priced Verizon		41.94				
Lowest priced Verizon		35.71				
Lowest priced competitor	\$	32.53				

Greatest Savings (Highest priced						
Verizon - Lowest priced				\$		
competitor)	\$	9.41	225000	2,117,250.00	\$	1,416,375.00
Lowest Savings (Lowest priced						
Verizon - Lowest priced competitor)	•	240		\$		
Competitory		3.18	225000	715,500.00		

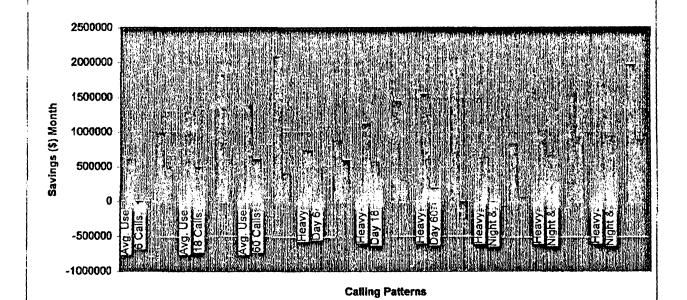
Basket 8						
Dasver 6						
Highest priced Verizon	\$	58.59				**************************************
Lowest priced Verizon		49.71				
Lowest priced competitor		43.81				
Course buses combentor		70.01	,			
Greatest Savings (Highest priced						
Verizon - Lowest priced				\$		
competitor)	\$	14.78	225000	3,325,500.00	\$	2,326,500.00
Lowest Savings (Lowest priced				_		•
Verizon - Lowest priced		~ ~~		\$ 227 500 00		
competitor)		5.90	225000	1,327,500.00		
						7 740 200 00
					\$	7,812,000.00
Darket C						
Basket 9						
Highest priced Verizon	<u>s</u>	24.95				
Lowest priced Verizon		11.16				
Lowest priced competitor	 	10.19				,
Lowest prices competitor	-	10.15				
Greatest Savings (Highest priced						
Verizon – Lowest priced				\$		
competitor)	\$	14.76	225000	3,321,000.00	\$	1,769,625.00
Lowest Savings (Lowest priced		~~~~~				
Verizon - Lowest priced				\$		
competitor)	\$	0.97	225000	218,250.00		
Basket 10						
Highest priced Verlzon		29.77				
Lowest priced Verizon						
<u> </u>		23.75				
Lowest priced competitor	<u>\$</u>	19.46				
Greatest Savings (Highest priced	· · · · · · · · · · · · · · · · · · ·					
Verizon - Lowest priced				\$		
competitor)	\$	10.31	225000	2,319,750.00	\$	1,642,500.00
Lowest Savings (Lowest priced				<u></u>		
Verizon - Lowest priced				\$		
competitor)	\$	4.29	225000	965,250.00		
						
Basket 11						
Highest priced Verizon	\$	38.18	Madella Carlo Carl			
Lowest priced Verizon		32.27				
Lowest priced competitor						
Fourse burea combangs	• •	28.92				
Greatest Savings (Highest priced				Š		
Verizon - Lowest priced	\$	9.28	225000	2,083,500.00	\$	1,418,625.00
				_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		.,,

competitor)					
Lowest Savings (Lowest priced				_	
Verizon – Lowest priced				\$	
competitor)	\$	3.35	225000	753,750.00	
Basket 12					
Highest priced Verizon	\$	52.05			
Lowest priced Verizon	\$	43.65			
Lowest priced competitor	\$	38.01			
Greatest Savings (Highest priced Verizon – Lowest priced competitor)	s	14.04	225000	\$ 3,159,000.00	\$ 2,214,000.00
Lowest Savings (Lowest priced	<u>`</u>	14.04	220000	0,.00,000.11	
Verizon - Lowest priced				\$	
competitor)	\$	5.64	225000	1,269,000.00	
Sum highest savings per month	\$ 34	538,750.00			
Sum lowest Savings per month		868,500.00		Sum of avg savings per month	\$ 22,253,625.00
Highest savings per year		865,000.00		Avg savings per year	\$267,043,500.00
Lowest Savings per year		422,000.00			

TABLE 4: Comparison of Savings: September 2000 vs. April 2000 Study

	Sept	ember 2000	A	pril 2001	Percentage Change	
High end of long distance savings	\$	120 million	\$	284 million	137%	
High end of local savings	\$	97 million	\$	416 million	329%	
High end of average customer long distance savings per month	S	10.04	S	13.94	39%	
High end of average customer local savings	\$	8.08	\$	12.83	59%	
Low end of long distance savings savings	\$	46 million	s	79 million	72%	
Low end of Local savings	\$	66 million	\$	118 million	79%	
Low end of Avg customer LD savings per month	\$	3.87	\$	3.67	-5%	
Low end of Avg customer Local savings	\$	5.50	s	3.36	-39%	

CHART 1: Comparative Savings for Consumers that Switch to Verizon Long Distance Services: Net Monthly Savings for Different Consumers



Savings Achieved by Switching from the Industry Average

■Savings Achieved by Switching from the Lowest AT&T or MCI Plans

